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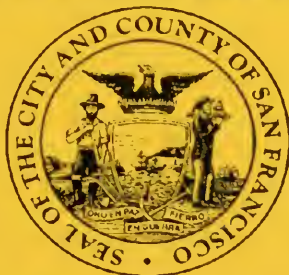
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# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

January 20, 2009

2:00 P.M.

Room 416 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

President

**LINDA S. CRAYTON**

Vice President

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

Airport Director

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Minutes of the Airport Commission Meeting of  
January 20, 2009

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# AIRPORT COMMISSION MEETING MINUTES

January 20, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 2:00 PM in Room 416, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenheim

Absent: Hon. Linda S. Crayton, Vice President

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 16, 2008 were adopted unanimously.

No. 09-0001

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Massola and seconded by Commissioner Ito. The vote to approve was unanimous.

### 1. Retirement Resolution - Gretchen Nicholson

No. 09-0002 Resolution approving the Retirement Resolution commending Gretchen Nicholson for a job well done as an employee of the City for 31 years and recognizing her significant and valuable contribution to the success of the Airport in the 25 years that she has served SFO.

Mr. John Martin, Airport Director said that Gretchen is retiring from the City Attorney's Office after 31 years, with 25 years at the Airport. Gretchen is admired greatly for her creativity and can do attitude as a member of the City Attorney's team, although she has always been viewed as a member of the Airport team. Her can do attitude resulted in a number of firsts at the Airport in which Gretchen played an important role ... the Opt-Out Screening Program, the Registered

Traveler Program, SFO Fuel ... the airline corporation that Gretchen took the lead in setting it up legally. Gretchen also played an important role on the legal side in setting up the In-line Explosives Detection System, a leading program in the industry, and in many other programs like this over the years that are too numerous to mention.

Mr. Martin thanked Gretchen personally for all of the support she provided him and to the Airport's Senior Management team.

Gretchen promoted good will among employees and is well known for her writing of lyrics for Administration's annual holiday party, and as a member of the singing group the Legalettes.

Commissioner Mazzola congratulated Ms. Nicholson.

Ms. Gretchen Nicholson, Deputy City Attorney thanked Mr. Martin for his kind words and the Commission for this honor. It has been a pleasure and an honor to serve the City for these 31 years, and representing the Airport for the last 25. She will miss everyone.

Commissioner Mazzola wished Ms. Nicholson good luck in her retirement.

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Retirement Resolution - Don Whittaker

No. 09-0003	Resolution thanking Don Whittaker for his 20 years of service with the City and County of San Francisco at the San Francisco Airport.
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Mr. Martin said that Don is not be here today. He is retiring after 20 years of service with the Airport. Prior to his City service Don worked for 19 years in the airline industry for World Airways and Pacific Southwest Airways. He was Airport Deputy Director for Operations supervising Airfield Safety, Communications and Dispatch, Emergency Operations and Planning and handled our annual certification process with the FAA. Don is a very strong and clear minded leader for the Airport who helped to always insure that the we operated at the highest safety standard. We appreciate Don's outstanding work over the years.

Commissioner Mazzola congratulated Mr. Whittaker on his retirement.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*



F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Award of Trade Bid Package Set No. 2 to Contract No. 8757A - Design Build Services for Terminal 2/Boarding Area D Renovations - Turner Construction Company - \$45,213,295

No. 09-0004

Resolution awarding Trade Bid Package Set No. 2 (Bid Packages 2.30, 2.40, 21.00, 22.00 and 26.10) to Contract No. 8757A, Design Build Services for Terminal 2/ Boarding Area D Renovations with Turner Construction Company, in the amount of \$45,213,295.

Mr. Ivar Satero, Deputy Director, Design and Construction said that this item requests authorization to award Trade Bid Package Set No. 2 for various scopes of work including micropiles, pre cast driven piles, fire protection, HVAC and the electrical load centers for the Terminal 2 Renovations Project. As required by the administrative code these trade bid packages were bid to a minimum of three pre-qualified bidders. Staff reviewed the bids and determined that the low bidders are responsive and that the bids appropriately reflect the agreed upon scope of work.

The proposed award to the listed subcontractors is within the overall budget for this work and it is approximately \$2.8 million less than the engineer's estimate. As shown in Attachment B of your package the bids for fire protection came in substantially higher than the engineer's estimate and what we found was the estimate did not contain scopes of work related to the deluge system which is a water fire protection system that protects the glass on the exterior of the building. Any glass that is within 100 feet of hydrant fueling pits has to have this type of protection and so that was not in the estimate. We also did not have in the estimate the FM 200 Fire Protection System which is a chemical system that protects special systems rooms. As shown in Attachment C the Airport is forecasting a cost at completion of the construction portion of this contract at \$321 Million. It is approximately \$2.2 million less than the budget.

Overall, forecasted project total at cost of completion is just under the \$383 Million budget. We continue to maintain appropriate cost contingencies for this stage of the project. We are currently negotiating a time extension with the contractor for the added scope of work that was approved in the previous modification before the Commission and we anticipate that it will result in about a three and a half month time extension to January of 2011 for the contract. The costs associated with that time extension is included in the forecast before the Commission.

There is a mistake in the HRC LBE participation ... it should have been 9% instead of 41%. The 41% was left over from the last package and we meant to update that.

Commissioner Johns asked if the 7.5% contract contingency was a percentage.

She asked if that was the normal amount because it seems to vary.

Mr. Satero responded that it is the normal amount. Every time we award additional scope we are asking the Commission to increase that, but that is the typical Airport policy standard for a construction contingency.

Item No. 4 was moved by Commissioner Guggenheimer and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Award of Contract No. 3560D - Terminal Upper Level Viaduct Improvement, Phase II - PROVEN Management, Inc., Contractors, Inc. - \$13,899,942

No. 09-0005                      Resolution awarding Contract No. 3560D, Terminal Upper Level Viaduct Improvement, Phase II to the lowest responsive, responsible bidder, PROVEN Management, Inc., Contractors, Inc., in the amount of \$13,899,942.

Mr. Ernie Eavis, Deputy Director, Facilities said that this contract is the second phase of the seismic upgrade of the upper level viaduct in front of the domestic terminals. The upper level viaduct is the bridge that brings passengers to the departure level in front of the domestic terminals. The first phase of this project completed the seismic upgrade of the viaduct in front of Terminals 1 and 2. This finishes the viaduct project in front of Terminal 3.

Nine bids were received for this project ranging from approximately \$14 Million to \$19 Million. The engineer's estimate was \$15 Million. The project is funded through a combination of Federal, State and Highway funds. Approximately 90% of the cost is going to be reimbursed through the Federal Highway Administration and Caltrans. The Project will last for approximately 600 days and we will work with Operations to minimize the disruptions of both passengers and traffic.

The modification amount is 10%. We did that because the project came in so far under budget and since the Federal government and the State are paying 90% of the cost we upped the modification in the event that something comes up we wouldn't have to return to the Commission for more money. They have set aside \$29 Million for this project when we originally intended to go out for so there is money there in the state and federal budgets to pay for it.

Mr. Eavis explained that the State funding comes from Proposition 1B and that money is still there. We received notification from the two funding agencies that that they had put that money aside for this project.

Commissioner Ito appreciated that Proven was attempting to use DBEs at the 9% voluntary level because there is no mandate for it.

Item No. 5 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Modification No. 1 to Contract 8757.9 - Construction Management Services for Terminal 2/Boarding Area D Renovations - T2 Partners, A Joint Venture of Parsons Transportation Group, EPC Consultants, Inc., and The Allen Group, LLC \$5,920,000

No. 09-0006

Resolution approving Modification No. 1 to Contract No. 8757.9, Construction Management Services for Terminal 2/Boarding Area D Renovations with T2 Partners, A Joint Venture of Parsons Transportation Group, EPC Consultants, Inc., and The Allen Group, LLC, in the amount of \$5,920,000 for services through December 31, 2009.

Mr. Satero explained that this item requests Commission authorization to renew this contract with T2 Partners to support the Terminal 2 renovations project through 2009. The proposed modification will result in a revised total project amount of \$9,420,000. The Terminal 2 Renovations Design Build project is proceeding on a fast track basis with the design effort currently in the construction documents phase. The subcontracted scope currently has been awarded in the amount of about \$51 Million and we are estimating that over the next 3 months recommending award of another \$90 Million.

T2 Partners is providing a high level of service to the Airport and is maintaining the appropriate focus on cost and schedule. They are also working hard to mitigate impacts to the Airport's operation with the ongoing construction within the terminal building. The integration of the Airport's construction management staff with the construction management team and T2 Partners is serving the project very well. T2 Partners is providing project construction manager, construction manager, project controls personnel, and the specialized expertise that we need for baggage handling system, special systems, and MEP work. The Airport is providing project management staff, the resident engineer and the inspection staff.

The project management/construction management team has worked successfully with Turner to substantially reduce project costs and we have achieved an under budget forecast. T2 Partners is currently achieving a 12% LBE subcontractor participation level in comparison to the approved goal of 10%.

\* \* \*

G. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

The Consent Calendar, Item Nos. 6 through 22, was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

6. Bid Call - Contract No. 8908 - Domestic Terminal Pre-Conditioned Air (PCA)

No. 09-0007

Resolution approving the scope, budget and schedule for Contract No. 8908, Domestic Terminal Pre-Conditioned Air (PCA), and authorizing the Director to call for bids when ready.

7. Award of Contract No. 8581 - Terminal Garage Expansion Joints Repair  
Schembri Construction Company, Inc. - \$1,478,000

No. 09-0008

Resolution awarding Contract No. 8581, Terminal Garage Expansion Joints Repair, to the lowest, responsive, responsible bidder, Schembri Construction Co., Inc., in the amount of \$1,478,000.

8. Rejection of Proposals for the Distributed Antenna System

No. 09-0009

Resolution rejecting all five proposals received in response to the Request for Proposals to design, fabricate, install, operate and maintain a Distributed Antenna System for Cellular and other Wireless Services.

Commissioner Johns vaguely remembered that when we were renewing contracts with the cellular phone companies and folks came before us to testify, with several of them opposed to this DAS System. Now we are rejecting all of the proposals. She asked for an update as to where this antenna system is going and what we are going to do or not do, etc.

Ms. Theresa Lee, Deputy Director, Administration responded that we are in the process of revisiting our business model. As part of the RFP process we solicited the carriers' participation early on in developing the requirements. There were varying degrees of response from the four or five carriers but. We took whatever they provided us and we also contracted out with an outside consultant ... an expert on this distributed antenna systems to develop the requirements. Staff is planning to reassess the business model that we have and continue our dialog with the carriers to ensure that they are kept up to date with what we are planning.

Commissioner Johns asked if we were planning to continue to move forward with the idea of the DAS System as opposed to the individual antennas.

Ms. Lee responded that we will be assessing both of those again ... going back to the drawing board ... to determine what makes the best sense for the Airport.

Mr. Martin added that it will probably make sense that we have the companies 100% on board with DAS if that is the direction we go. The technology has evolved so that it is possible for companies to offer a reasonable level of service from antennas off-airport, which they could not do three years ago. If they are not on board with our program there is a risk that they can move their antennas off-airport and just bypass us altogether. That is a critical risk and one that can only be addressed by bringing the companies on board.

Commissioner Johns recollected that there were a few airports that had this DAS System.



Ms. Lee responded that there are over a dozen US Airports that have this system.

Mr. Martin said that none are in our particular situation where cell companies could have antennas very close to airport property. At DFW, with 18,000 acres the companies have to be on airport property. It's unclear if they would have to be on airport property in San Francisco now. We would rather see another airport work it out in a situation similar to ours, or else work it out with all of the cell phone companies.

9. Modification No. 9 - Closeout to Contract 5703A, Phase II - AirTrain Operations & Maintenance - Bombardier Transportation (Holdings) USA, Inc. - \$2,917,543

No. 09-0010 Resolution approving Modification No. 9, closeout to Contract 5703A, Phase II, AirTrain Operations and Maintenance with Bombardier Transportation (Holdings) USA, Inc., in the amount of \$2,917,543, for a new not-to-exceed contract amount of \$41,360,042 as specified in Section 4.1 - of the Phase II Operations and Maintenance Provisions, General Requirements - Economic Price Adjustment, changes for unanticipated operating conditions and Airport requested changes. Funds will be provided from Airport's Operating budget.

Commissioner Johns wondered if this was part of the settlement of the lawsuit. She thought that part of the settlement negotiations had to do with the new contract for operations and maintenance.

Mr. Tryg McCoy, Deputy Director, Operations and Security responded that the settlement does have to do with the new contract. This is the final payment for the old contract. It's always retroactive because there were price increases that escalate over the years so we pay the base fee and then follow up at the end of the year paying for those price escalations as well as additional authorized work.

Commissioner Johns asked if this was something we knew was going to happen.

Mr. McCoy responded that we did. This actually extends it to five more days to March 1 when the new contract then takes over. We won't be returning to the Commission to talk about Phase 2 of this contract. It will just be the new contract from this point forward.

10. Award Contract 8751R - Facility Renovations - Rubecon General Contracting, Inc. - \$340,322.50

No. 09-0011 Resolution awarding Contract No. 8751R, Facility Renovations, to the lowest responsive, responsible bidder, Rubecon General Contracting, Inc., in the amount of \$340,322.50.

11. Award of Contract No. 8533R - Facilities Carpet Repair - Peacock Interiors & Gallery, Inc. - \$175,570

No. 09-0012                      Resolution awarding Contract No. 8533R, Facilities Carpet Repair, to the lowest, responsive, responsible bidder, Peacock Interiors & Gallery, Inc., in the amount of \$175,570.

12. Authorization to Issue a Request for Qualifications to Establish a Pool of Consultants to Provide Airport Management Consulting Services

No. 09-0013                      Resolution authorizing the issuance of a Request for Qualifications to establish a pool of consultants to provide Airport Management Consulting Services.

13. Authorization to Commence the Competitive Selection Process for the Terminal 3 Concourse Speciality Store Lease

No. 09-0014                      Resolution (1) approving the proposed minimum qualification requirements and lease specifications, and (2) authorizing the staff to issue a Request for Proposals and conduct an informational conference for the Terminal 3 Concourse Speciality Store Lease.

14. Bid Call - Contract No. 8547 - Central Plant High Temperature Water System Improvements

No. 09-0015                      Resolution approving the scope, budget, and schedule for Contract No. 8547, Central Plant High Temperature Water System Improvements, and authorizing the Director to call for bids when ready. The budget for this contract is \$3,000,000.

15. Rescind Award of Contract No. 8110 - Runway Rubber Removal - Ackerman and Sons Company, Inc.

No. 09-0016                      Resolution rescinding award of Contract No. 8110, Runway Rubber Removal, to Ackerman and Sons Company, Inc., dba Runway Services International, and authorizing the Director to re-bid when ready.

Commissioner Ito asked if the bidder was unaware of the bond requirement.



Mr. Eavis responded that they were aware that a bond would be required as part of the bid package, they just couldn't come up with it. We are rescinding the bid because we can't just neglect that requirement of the specification.

16. Bid Call - Contract No. 8590 - Telecommunications Infrastructure - Airport Wide

No. 09-0017                      Resolution approving the scope, budget, and schedule for Contract 8590, Telecommunications Infrastructure - Airport wide, and authorizing the Director to call for bids when ready. The budget for this contract is \$1,500,000.

17. Request for Proposal for Professional Services - Contract 8136D - 100% In-line Explosives Detection Baggage Inspection Systems - High Tech Maintenance - \$500,000

No. 09-0018                      Resolution authorizing issuance of a Request for Proposal for Professional Services for Contract No. 8136D, 100% In-line Explosives Detection Baggage Inspection Systems High Tech Maintenance for Airport-Owned Baggage Conveyor Equipment in the amount of \$500,00 for the first year of services, with two (2) one-year options.

18. Authorization to Exercise the Second of Five One-Year Options to Extend Contract with SFO Shuttle Bus Company, Inc. - \$8,684,376

No. 09-0019                      Resolution to exercise the second of five one-year options to extend contract with SFO Shuttle Bus Company, Inc., for employee and long-term passenger services at San Francisco International Airport effective January 1, 2009 through December 31, 2009 in the amount of \$8,684,376.

19. Ratification of Emergency Declaration for Replacement of Central Plant Boilers

No. 09-0020                      Resolution ratifying the action of the President of the Airport Commission to declare an emergency for the replacement of Central Plant Boilers.

Commissioner Ito asked how we got into such an emergency situation.

Mr. Eavis responded we were pursuing a different way of procuring the boilers but because of legal requirements we couldn't follow that path. If we were to put out a bid to purchase and install the boilers, not only would we miss this winter we would miss next winter as well because we wouldn't have them until August. We

asked the President of the Commission to sign the emergency so we can begin the purchase process and have them on hand for installation late summer, early fall of this year. A normal purchase process wouldn't meet that time line. We had fully intended to replace the boilers as part of the Capital Plan.

20. Authorize Staff to Seek, Accept and Expend Funds from the California Air Resources Board for an Advanced On-Airport Hydrogen Vehicle Fueling Station - \$3,000,000

No. 09-0021

Resolution authorizing Airport staff to seek, accept, and expend up to \$3 Million from the California Air Resources Board to fund an advanced hydrogen vehicle fueling station at SFO.

21. Design Approval for Artwork in Terminal 2

No. 09-0022

Resolution approving artists selected for Artwork in Terminal 2.

22. Approval of Lease at 837 Malcolm Road, Burlingame, CA

No. 09-0023

Resolution approving and authorizing the Director to execute a lease of approximately 6,000 sq. ft. of office/light industrial space located at 837 Malcolm Road for Airport Reprographics at an initial Annual Rent of \$84,960.

\* \* \*

#### H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

#### I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 2:22 PM.

Original Signed by Jean Caramatti  
Jean Caramatti  
Commission Secretary



# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**February 3, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

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February 3, 2009

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A.		CALL TO ORDER:		4
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C.		ADOPTION OF MINUTES:		
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E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Award Contract 8577 - Terminal 1 - Carpet Replacement - Lambard Enterprises, Inc.		4
	2.	Reject All Bids - Contract 8427B - Mel Leong Treatment Plant Shop Bldg. Construction	09-0025	5
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	3.	Award Contract 8850 - On-Call Services for Central Plant Cooling Systems - Carrier Corp.	09-0026	5
	4.	Modification No. 4 - Smith, Dawson & Andrews Federal Legislative Advocacy Contract	09-0027	5-6
	5.	Issue RFP for Contract 8891, Professional Services Contract for the Airline Liaison Office	09-0028	6
	6.	Issue RFP for Contract 8911 - State Legislative Advocacy Services	09-0029	6
	7.	Authorization to Accept Proposals for Boarding Area F Specialty Retail Kiosk Leases A and B	09-0030	6
	8.	Bid Call - Contract No. 8873B - Asbestos Abatement/Interior Demolition for Building 575	09-0031	6
	9.	Reimburse D-Lew Ent., LLC dba Il Fornaio	09-0032	6-7
G.		NEW BUSINESS:		
		Contract No. 8577 - Carpet Replacement		7-9
		Union introductions		9



H.	CORRESPONDENCE:	9
I.	CLOSED SESSION:	9-10
	Settlement: Verdugo v. CCSF	
	Potential Litigation:	
J.	ADJOURNMENT:	10

## AIRPORT COMMISSION MEETING MINUTES

February 3, 2009

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenheimer

Absent: Hon. Linda S. Crayton, Vice President

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of January 20, 2009 were adopted unanimously.

No. 09-0024

\* \* \*

### K. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

### E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was removed from the calendar.

1. Award of Contract No. 8577 - Terminal 1 Carpet Replacement - Lambard Enterprises, Inc. - \$1,946,917

Resolution awarding Contract 8577, Terminal 1 Carpet Replacement, to the lowest responsive, responsible bidder, Lambard Enterprises, Inc. in the amount of \$1,946,917.

Item No. 2 was moved by Commissioner Guggenheimer and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Reject All Bids - Contract No. 8427B - Mel Leong Treatment Plant Shop Building Construction

No. 09-0025

Resolution rejecting all bids for Contract No. 8427B, Mel Leong Treatment Plant Shop Building and authorizing the Director to re-bid when ready.

Mr. Ernie Eavis, Deputy Director, Facilities reminded the Commission that this contract was to construct the shop building at the industrial treatment plant. Two bids were received for this project. HRC reviewed the apparent low bidder's bid and found that it did not meet HRC contract requirements, nor did the contractor make a sufficient good faith effort to meet the goals. The only other bidder was about \$900,000 over the engineer's estimate for the contract.

We are asking the Commission to reject all bids. The project will be repackaged into a bigger contract and will be included as part of the stimulus program currently before Congress in order to obtain Federal funding. We will include more Phase 2 work in Phase 1. We will return to the Commission within the month for approval.

Commissioner Ito asked if we will then have some LBE subcontractors.

Mr. Eavis responded that we will do a better job of getting more contractors to bid on this contract and make sure that everyone meets the bid requirements.

\* \* \*

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 3 through 9, was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Award of Contract No. 8850 - On-Call Services for Central Plant Cooling Systems Carrier Corporation - \$600,000

No. 09-0026

Resolution awarding Contract 8850, On-Call Services for Central Plant Cooling Systems to Carrier Corp. in an amount not to exceed \$600,000.

4. Modification No. 4 - Smith, Dawson & Andrews Federal Legislative Advocacy Contract - \$200,000

No. 09-0027

Resolution approving Modification No. 4 to the Smith, Dawson and Andrews Federal Legislative Advocacy contract to facilitate SFO's interaction with the U.S. Department of Transportation, FAA

and Transportation Security Administration, extending the term of the contract for one year (July 1, 2009 to June 30, 2010) and increasing the total contract amount by \$200,000.

5. Authorization to Issue a Request for Proposals - Contract No. 8891 - Professional Services Contract for the Airline Liaison Office

No. 09-0028                      Resolution approving the issuance of a Request for Proposals for Contract No. 8891, a Professional Services Contract for Airline Liaison Office consultant services and authorizing staff to conduct negotiations with the highest ranked proposer.

6. Approve Issuance of a Request for Proposals for Contract No. 8911 - State Legislative Advocacy Services

No. 09-0029                      Resolution approving issuance of a Request for Proposals for Contract No. 8911, State Legislative Advocacy Services, and authorizing staff to negotiate with the highest ranked proposer.

7. Authorization to Accept Proposals for the Boarding Area F Specialty Retail Kiosk Leases A and B

No. 09-0030                      Resolution approving minimum qualification requirements and lease specifications, and authorizing staff to accept proposals for the Boarding Area F Specialty Retail Kiosk Leases A and B, each with a minimum acceptable proposal amount of \$55,000 and a term of five years with two one-year options to extend the term, exercisable by the Airport Commission.

8. Bid Call - Contract No. 8873B - Asbestos Abatement/Interior Demolition for Building 575

No. 09-0031                      Resolution authorizing a bid call for Asbestos Abatement/Interior Demolition for Bldg. 575 to prepare the building for renovation. The renovation will allow relocating Airport staff prior to completing the Terminal 2 Renovations Program in early 2011.

9. Reimbursement to D-Lew Enterprises, LLC dba Il Fornaio

\* \* \*

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. John Mizell, Lambard Enterprises is addressing the Commission on Item No. 1, Contract No. 8577, Recarpeting San Francisco International Airport. Mr. Mizell is a project manager with Lambard Enterprises. His firm is honored to be the low bidder on this project and they look forward to performing the work at such a prestigious public institution as San Francisco International Airport. He is present to address a couple of concerns regarding the specified carpet and to respond to the protest initiated Friday by Golden State Carpet Services.

Mr. Mizell referred to a blow up of the specifications. Reading from the specifications said that the carpet manufacturer, subject to compliance with the requirements, states that "C&A Tandis, Bentley or an approved equal is an acceptable carpet."

They bid the job with Bentley Prince Street Carpet and believe that Bentley has suitable carpet that is an equal even though it is stated in the specs that Bentley is an acceptable manufacturer, it wouldn't be a substitution it is a specified product.

Bentley Prince Street already has 52,000 sq. yds. of carpet in the Airport currently and the other manufacturer has no carpet in the Airport. They have a proven product that is working well in the current situation.

When they initially undertook the bid for the project they looked at both manufacturers. They do business with both manufacturers. They decided to go ahead with Bentley because of their price and because Bentley is a California Company employing over 500 individuals in the State. The other manufacturer does not.

They were \$200,000 low to the third bidder which bid the CNA product. They feel it is saving the public money at a time when saving money is a priority for everyone.

Finally, there is the current status of California's "Or Equal" requirements which states that this statute "prohibits any public works project specification from limiting the bidding directly or indirectly to any one specific concern, or, 2) calling for a designated material product, thing or service by specific brand or trade name unless the specification is followed by the words 'or equal.'". There is no violation in this specification but as you see this is a pattern number which makes this a proprietary product.

Mr. Adrian Laekas, Sales Manager for Bentley Prince Street said that Bentley is the low bidder to Lambard and a qualified past supplier. This project is a significantly sized

contract and he is present to address the matter in which the process is being managed. He has been involved in the carpet design for this project for over a year with Amir Koleini and Melissa Stephenson of the Airport and he has a personal invested interest, however despite being listed on the plans he has been told by the San Francisco Airport's Design department that they do not want Bentley Prince Street on this project.

In February 2008 the San Francisco Design Department invited him to begin development of this product. They also invited his competitor, Collins and Aikman. After about 6 months the Airport asked Bentley Prince Street and Collins and Aikman to interpret each others product so there would be an opportunity for the Airport to benefit from a fair bid and have two manufacturers providing the same pattern. Some time later the design review committee reviewed these patterns and selected one. Both manufacturers were asked to continue working on the development of the product. They are restricted by copyright infringement laws so whereas the desire may be to duplicate a product exactly they are not able to do that. They interpret it ... and do it quite successfully and very often in the public sector.

In January 2009 the carpet went out to bid and the specifications specified only one manufacturer ... in fact it listed both companies by name yet he has been told by the design department that they will not accept our product which was bid to the two lowest bidders. Not only the lowest bidder but the second bidder used our product as well. They were low bidder by close to \$250,000.

If there was a desire for a proprietary specification it should have been listed that way. Collins & Aikman ... no substitutes. But it was not. He hoped it wasn't an effort to just appear to have a fair bid. Both bidders used Bentley Prince Street and the Airport made it clear they did not want to use us.

Bentley Prince Street has a history of over 15 years with the Airport, having installed 75-80% of the carpet successfully. They hope the Commission will give them the opportunity to respond or consider this presentation a response to the protest filed by the third bidder. The City recognizes and promotes opportunities for minorities and it's established plan ... the San Francisco Green Building Ordinance for goals towards waste reduction building sustainability and yet apparently there is virtually no interest in the fact that Bentley Prince Street manufactures the product.

Mr. Anthony Minite, President and CEO of Bentley Prince Street, Inc., a California manufacturer. They have been manufacturing carpeting in California for over 30 years. There once was close to 100 carpet manufacturers in the state of California; today there are five. They are the largest commercial manufacturer of product in the state. They employ over 500 people. Eighty percent of their workforce is minority, 50% is female, and 52% of his senior management is female.

Their company is driven on sustainability and their efforts in reducing their environmental footprint are continually recognized in the State. They are the recipient of the Governor's Environmental and Economic Leadership Award.

As companies leave the State, for the last seven years they have continued to reinvest in their company and its people to the tune of about \$28 Million. For three years in a row they have been recognized as a top company to work for in the City of Los Angeles.



He assured the Commission that he was doing what is required in the State to sustain a strong company, both environmentally and socially. Their company sees this as an opportunity for them to once again provide product to a public location such as the Airport. It was an open bid forum and their bid was low by over \$200,000. They don't understand why this now is an issue.

They are passionate about keeping 500 people in this State employed. They pay taxes in California and don't want to lose a publicly funded contract to a company based in Georgia.

Mr. Mike Patino, Transport Workers Union, Local 505, is present with the President of the local, Mike Mayes. They represent American Airlines employees in the North and South Bay and most of the MUNI people and the Trolley Car people as well. He wanted to introduce himself. He looks forward to working with the Commission on issues regarding the Airport. He is involved also with the Airport Labor Coalition.

Mr. Larry Wing, President of Local 1781, International Association of Machinists and Aerospace Workers, representing about 2,000 employees at San Francisco Airport for many different employers as well as. He is also part of the Airport Labor Coalition and is also intimately involved with HCAO, the MCAON, the QSP. He is here today to observe the procedure and process.

Mr. Steve Pitocchi, SEIU, Local 1021, said that one card was filled out for the Coalition. They wanted to introduce themselves individually and the unions that they represent. Also present: Maggie Gribben, SEIU Local 1877. Stan Keno, Association of Flight Attendants, CWA Local 2911. Sonia Rivera, SEIU, Local 1877, Airport Division.

\* \* \*

#### H. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### I. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:29 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a)(1) to confer with legal counsel regarding a settlement of litigation entitled Verdugo v. CCSF, et al, San Francisco Superior Court Case No. 454757; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:45 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:46 A.M.

Original Signed by Jean Caramatti

Jean Caramatti  
Commission Secretary

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**February 13, 2009  
Special Meeting**

**9:00 A.M.**

**Room 300 - 101 Grove Street  
Department of Public Health  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA  
President**

**LINDA S. CRAYTON  
Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

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**JOHN L. MARTIN  
Airport Director**

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Minutes of the Airport Commission Special Meeting of  
February 13, 2009

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F.		ITEMS INITIATED BY COMMISSIONERS:		5
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
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	4.	Award Trade Bid Package Set No. 3 to Contract 8757A - Design Build Services for Terminal 2 Boarding Area D Renovations - Turner Construction Co.	09-0038	8-10
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	5.	Commence Competitive Selection Process for Terminal 1, Boarding Area C Retail Lease	09-0039	10
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# AIRPORT COMMISSION SPECIAL MEETING MINUTES

February 13, 2009

## A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 300, 101 Grove Street, Department of Public Health, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Eleanor Johns  
Hon. Rich Guggenhime

Hon. Linda S. Crayton, Vice President arrived at 9:15 AM at the end of the discussion on Item No. 3.

Absent: Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 3, 2009 were adopted unanimously.

No. 09-0034

\* \* \*

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adopted of Resolution No. 09-0033 regarding the settlement of litigation entitled Verdugo v. CCSF in the amount of \$62,500 at the closed session of February 3, 2009.

\* \* \*

## E. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

### 1. Retirement Resolution - James E. Ilnicki

No. 09-0035

Resolution thanking Mr. James E. Ilnicki for 24 years of faithful service to the San Francisco

International Airport and offering him best wishes for a long and fruitful retirement.

Mr. John L. Martin, Airport Director said that Jim Ilnicki has been a key member of the Airport management team for 24 years and has worked for the City for 34 years, starting in the Department of Public Health. For 14 of his 24 years at the Airport Jim served as the HR Director. He did an outstanding job in that role and then moved over to serve as the Assistant to Jackson Wong, Chief Operating Officer. Throughout time at the Airport Jim continued to learn and develop new management skills that were key to the Airport's success. He led the development of the Airport's first strategic plan after 2001 that laid out the groundwork for our turnaround. Jim has always demonstrated a very pragmatic approach to problem solving. He is respected greatly by staff for his commitment and loyalty to the Airport. We thank Jim for his outstanding years of service.

Commissioner Mazzola said that he had the privilege to argue with Jim and he knows his stuff 100%. He is great. He has always been fair with the workers whenever any union came up to talk to you in HR. He thanked him for his years of service and how he handled himself during his career. It was a privilege to work with Jim.

Mr. James Ilnicki, Assistant to Chief Operating Officer, thanked the Commissioners and the Director.

He had the opportunity to work with nearly everyone in the room on a personal basis over the years and it has been his privilege to work with these people who operate at a very high level. They are very sincere about trying to make the Airport the best operating department in the City. It has been a good time for him. It is said that time goes by fast when you're having fun, and these 34 years have gone by as if they were two days.

Commissioner Mazzola asked Jim what he will do in his retirement.

Mr. Ilnicki responded that he has a list of home projects a mile long.

Commissioner Mazzola Congratulated Jim.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenheim and seconded by Commissioner Johns. The vote to approve was unanimous.

2. Proposed Fiscal Year 2009/10 Operating Budget - \$673,600,000

No. 09-0036

Resolution approving proposed Airport Commission Operating Budget for Fiscal Year 2009/2010 in the amount of \$673,600,000.

Mr. Martin said that he will be calling Commissioners within the next two weeks for a detailed briefing on the budget.

Ms. Cindy Nichol, Finance Director explained that this is an odd environment in which to be doing a budget with uncertainty on the local economy and what is going on with our traffic. Economists for the City are telling us that the City is entering the recession late and is likely to emerge late. Our traffic is converging on what looks like a slightly positive or perhaps flat growth, but that's better than what is happening with other airports in the Bay Area and other airports in the country.

We are proposing a \$673.6 Million budget that is a 2.4% increase over last year. Much of that increase is nondiscretionary items that are beyond our control. For salaries, fringe and utilities we have a \$2.5 million increase in salaries which is an average of 2.75% due to the annualized MOU increases. We do not have any MOU increases that are scheduled for 2011. Much of the increase is \$12.2 million in estimated mandatory fringe benefit increases, that's 35% that's largely due to an \$11.5 million increase in retiree health care costs that we have to absorb and fund. There are also some further retirement plan and health care costs that we won't know for the next few weeks that we are anticipating could increase as well. The last significant increase that has really been beyond our control is the \$6.75 million increase in debt service. The bulk of our debt is fixed and we have a repayment schedule, but it is what it is. With regard to that, we are going to try to take advantage of any refunding opportunities that might be in the stimulus bill. Our legal counsel analyzing that for us. We think it might be minimal but we'll do everything we can.

We have about \$24 Million in costs that are beyond our control; about \$2.4 that are discretionary. We are adding some costs for environmental consulting and sustainability contracts. We are also adding some new positions for custodians and asphalt workers, a total of 5 new positions in the budget.

The budget is predicated on a 5% increase in airline rates. We've talked with the airlines about that in October, January and this week so it is not going to be a surprise to them. As in the past, further adjustments might happen based on some of the uncertainties just mentioned. Non-personnel is actually a decrease of 5.2% or \$4.5 Million, due to a couple of things ... we have an off Airport lease that has expired and we do not have rent payments for Building 575 yet. My staff and I are going move from Terminal 2 to Building 575, however we will not be incurring costs for rent this year.

It looks like training costs are going down but that is actually a reclassification of some costs as travel. The Mayor's Office has asked us to be paying for carbon offsets for travel and this helps us track that better. For example, when the Fire Department has live exercises they need to travel and we have just reclassified

those costs. Materials and supplies is small ... it's an increase because of replacement parts being moved out of an elevator/escalator contract ... it is not a net increase.

Debt service is a significant factor. We do have \$10 million in savings from refundings that we did last year and is accounted for here. Services from other departments is 15% of our budget. The increases are really associated with Fire and Police MOU salary increases. We also have savings due to removal of a one time cost for DHR management associated with EMERGE which implements people soft throughout the City. Facilities maintenance is 1% of our budget that is a \$2 million decrease partly because we have removed the one time budget allocation this year for the move to T2 so we will have that expense next year and then some other reductions in project expenses.

The annual service payment to the City is 4% of our budget, a decrease of 5.6%. The annual service payment is driven by our terminal concession revenues which are projected to be somewhat down next year.

We believe that this budget fulfills all policies of the Airport Commission, the Mayor's office and the Controller's office and provides for the safety, security and facilities maintenance that is needed by the Airport.

Some key milestones I just wanted to mention we are going to be submitting this budget to the controller next Friday, February 20m although we do have a few weeks in which we can make changes. April 1 is the last day we can make changes to our budget. We submit the budget to the Board of Supervisors on May 1. We have a first hearing with the Budget and Finance Committee on May 20 and the second hearing on May 27

Commissioner Johns said that she is concerned that this is not a lean budget and she felt that there were some areas that can be looked at. We are adding five new positions when there may be some unfilled positions. She expressed her concern but she does support the budget.

Item No. 3 was moved by Commissioner Guggenheimer and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Approval of Five-Year and Ten-Year Capital & Facilities Maintenance Plan for FY2009/10 to FY 2018/19

No. 09-0037

Resolution approving revisions to the previously approved \$919.3 Million Airport Five-Year Capital Plan and \$1.6 Billion Ten-Year Capital & Facilities Maintenance Plan for FY2009/10 to FY2018/19 and Annual Appropriations for Capital Plan.

Mr. Nichol said that the total Capital Plan appropriations are unchanged for FY 09/10. We do have some funding adjustments among projects to facilitate some new needs that have emerged including the renovation of Building 575 which is to



move employees displaced by construction in Terminal 2. We are continuing our efforts to increase facility capacity and system functionality and do a replacement and maintenance projects with the focus on renovation of Terminal 2. The appropriation authority request we have before you is not a request for any additional debt appropriation authority. We do have enough money ... we have about \$364 million of the previously approved \$648.5 million for debt which will fund about 60% of the total Five Year Capital Plan.

We are requesting appropriations for \$60.3 Million in funding from FAA grants, which fund about 26% of our costs, PFCs on a pay go basis which fund about 9%, and interest income and operating funds which fund about 4%. We believe it is appropriate to come to you each year to make those requests.

We have two capital plan updates that are required annually ... the first is a rolling Five Year Plan which is required by our Airline Lease and Use Agreement. The Five Year Plan totals \$881.9 Million, the Ten Year Plan is required by the City Capital Planning Process and totals \$1.5 Billion.

The Five Year Plan includes 63 projects ... 5 new projects for \$32 Million and 18 continuing projects for a total of almost \$850 million. The plan approvals to date include Five and Ten Year Plans reviewed by the Financial Advisory Committee and by the City's Capital Planning Committee. We've reviewed the Five Year Plan with the airlines and we expect MII support. We've verbally heard that the airlines will approve and their deadline is February 16<sup>th</sup>. Upon Commission approval of the plan and updates to the appropriation we will seek Capital Planning Committee, Mayor and Board of Supervisors approval.

Finally, we are actively seeking Stimulus funding for these projects. We are working with others in the City and as soon as the Legislation is passed we will move forward with full force and vigor to try and get as much of that money as possible.

Item No. 4 was moved by Commissioner Guggenheim and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Award of Trade Bid Package Set No. 3 to Contract 8757A - Design Build Services for Terminal 2 Boarding Area D Renovations - Turner Construction Company - \$69,755,158

No. 09-0038	Resolution awarding Trade Bid Package Set No. 3 (Bid Packages 2.10, 15.40, 16.10, 16.52, 16.54, 17.00, 27.10) to Contract 8757A, Design Build Services for Terminal 2, Boarding Area D Renovations to Turner Construction Company, in the amount of \$69,755,158.
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Mr. Ivar Satero, Deputy Director, Design and Construction explained that the scopes of work under this award of Trade Bid Package Set No. 3 includes apron slab demolition, plumbing, electrical, parallel gears, generators, baggage handling

system and the CCTV, paging and security special systems. As required by the Administrative Code these trade bid packages were bid to a minimum of three pre-qualified bidders. Staff has reviewed the bids and concurs with Turner's finding that the bidders are responsive and that the scope adequately reflects the agreed upon services required. The proposed award of the listed subcontracts is within 2.4% of the total engineer's estimate for these packages.

As shown in Attachment B, the electrical bid came in substantially higher than the engineer's estimate. In doing a debrief on this the miss appears to be in the costs of fire protection, supervision and the demolition of the existing electrical systems. Those three items account for an upward adjustment of about \$2.4 million in the engineer's estimate.

For the baggage handling system bids Vanderlonde was found non-responsive. There were two primary issues with that bid ... they qualified their bid and took exception to the liquidated damages term of the contract. The second is their pricing was based on a proposed re-design which was significantly different from the Airport's design that was produced by Gensler, their subcontractor BMP and has been submitted to the TSA for review. For baggage handling system costs we will be seeking \$8 million (75%) in reimbursement from the TSA for the EDS matrix component of the system. With the award to Siemens, as shown in Attachment B, we are also recommending award of the O&M scope. The contract contained the O&M obligation as well with a two year fixed contract that was part of the competitive evaluation as well as three, one-year options which are awarded at the sole discretion of the Commission.

As shown in Attachment C, we are forecasting a cost at completion of the construction portion of \$324 Million and overall the forecast is basically on budget or just slightly above the \$383 Million at \$383.4 Million, and we are continuing to maintain the appropriate cost contingencies given the stage of the project. We have also reached tentative agreement with Turner on the time extension to accommodate the added scope that was included in the contract under Modification No. 2. We are anticipating a revised substantial completion date of January 24, 2011 and we have negotiated a cost of \$1.5 Million for the time extension which is also included in the cost forecasts that are shown. The HRC LBE participation goal for the total contract is 15%; the participation level proposed for this award is 5.35%. Cumulatively through this modification they will achieve an 11.76% participation level.

Two of these packages will be awarded to San Francisco based firms ... Metropolitan Electric and Synergy are proposed awardees for a total of \$6.1 Million.

Commissioner Johns asked a question that was not audible on the tape.

Mr. Satero responded that we looked at that. Turner went back to Roundtree on three different occasions and had debriefing/descoping meetings with them and Turner is satisfied that they understand the work and we are satisfied that they will perform the work required. He felt it was a hungry bid and they wanted to get it.



Commissioner Johns noted the same thing with the generators.

Mr. Satero responded that the one high bid is an outlier. With all anomalies we go into detail and make sure that it reflects the scope of work properly.

Commissioner Mazzola said that he can't find the HVAC section. Is it included.

Mr. Satero responded that it was awarded in the last Trade Bid Package ... it was awarded under Trade Bid Package Number 2.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 7, was moved by Commissioner Crayton and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

5. Authorization to Commence the Selective Competitive Process for the Terminal 1, Boarding Area C Retail Lease

No. 09-0039                      Resolution approving revised lease specifications, minimum qualifications, and proposal requirements and authorizing staff to accept proposals for the Terminal 1, Boarding Area C Retail Lease.

6. Dissolution of San Francisco Airport Improvement Corporation

No. 09-0040                      Resolution dissolving the San Francisco Airport Improvement Corporation. Prior to formation of the Airport Commission, the San Francisco Airport Improvement Corporation was organized to assist the City in financing Airport improvements. Because of changes in the City Charter, the corporation is no longer needed as a financing vehicle and can be dissolved, now that all of its outstanding bonds have been paid.

7. Airport Improvement Program: Project No. 3-06-0221-42 (Grant No. 42) Project No. 3-06-0221-43 (Grant No. 43) Project Application - \$18,525,000

No. 09-0041                      Resolution authorizing the Director to execute and file a project application with the Federal Aviation Administration (FAA) for Federal Assistance in the amount of \$18,525,000.

\* \* \*

#### I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Patrick Gorman explained that he is the person who invented the new technology for floating structures which would allow San Francisco Airport to enlarge its runway without any significant environmental damage, but it is just a seed. A lot of work needs to be done, design details, what kind of materials and so forth and that will cost a lot of money, take a lot of time and require a lot of expertise. The only place you can get that done is with the U.S. Navy. They have the power to do it. He tried to interest them in the idea and they shut him out. Because he is nobody nothing happened. If the Airport nudges them we could get something going. It would provide a lot of jobs.

If he can be of any assistance, the Airport has his number.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 A.M.

  
Jean Caramatti  
Commission Secretary

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**March 3, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

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Minutes of the Airport Commission Meeting of  
March 3, 2009

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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	2.	2008 William R. O'Brien Employee of the Year Award - Mei-Lian Huang	09-0044	5
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	4.	Award Contract 8617 - Runway 28R-10L Overlay and Reconstruction Granite Rock Company, dba Pavex Construction	09-0046	7
	5.	Issue Request for Qualifications - Intn'l Strategic Marketing Alliance Services	09-0047	7-9
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Award Contract 8617 - Runway 28R-10L Overlay and Reconstruction - Granite Rock Co., dba Pavex Construction	09-0048	9-10
	7.	Authorize Three Month Extension of Commercial Paper Dealer Agreements	09-0049	10
	8.	Modification No. 1 - Exercise One-Year Option - Manage and Staff Curbside Management Prog.	09-0050	10
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# AIRPORT COMMISSION MEETING MINUTES

March 3, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Rich Guggenhime

Absent:	Hon. Eleanor Johns
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\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of February 13, 2009 were adopted unanimously.

No. 09-0042

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

### 1. Retirement Resolution - Ms. Bettye Lane

No. 09-0043	Resolution thanking Ms. Bettye Lane for 34 years of faithful service and to offer best wishes for a long and fruitful retirement.
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Mr. John Martin, Airport Director said that Ms. Lane has worked for the Airport for 34 years. She worked every shift in every terminal and participated in opening the International Terminal, the AirTrain Station and Rental Car Center. She was an outstanding team leader and Custodial Supervisor and trained many staff over the years.

Commissioner Mazzola congratulated Ms. Lane on her retirement.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. 2008 William R. O'Brien Employee of the Year Award

No. 09-0044

Resolution commending Mei-Lian Huang for her outstanding level of dedicated and professional service to the Airport.

Mr. Martin said that Mei-Lian Huang has been a Custodian with the City for 17 years, 12 years at the Airport. She has always received excellent evaluations from her supervisors and is well known for really setting a standard of a five star hotel. Mei-Lian used to work for the Four Seasons Hotel before she started at the Airport. She always has a very friendly attitude and smiling face and really promotes good will among fellow employees and among travelers at the Airport. This is a well deserved recognition for the William R. O'Brien Employee of the Year Award. We look forward to Mei-Lian continuing to provide many more years of great service at the Airport.

Commissioner Mazzola congratulated Mei-Lian.

Ms. Mei-Lian Huang said that she is very happy to be here today to accept this award. She is very honored to be the first Custodian to receive this. She thanked Mr. John Martin, Theresa Lee, Gloria Louie, my supervisors and the Airport Commission. She enjoys working at the Airport and she will continue to work hard as a Custodian. She is very lucky to be able to work with many good and dedicated co-workers. Thank you for the honor.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

3. 2008 Team Recognition Service Award

No. 09-0045

Resolution commending the "West of Bayshore Habitat Enhancement Project Team" on their outstanding level of dedicated and professional service to the Airport.

\* \* \*

Mr. Martin asked the team members to come forward. Although not all of the team members are present today, there will be a ceremony today at the Airport in which we will recognize Mei-Lian, the team and all of the nominees for these awards.

This team shows that when there is a collaborative effort of this kind between many different divisions and sections of the Airport that we can really exceed our expectations, and this team did just that. They exceeded all of the expectations on the West of Bayshore Habitat Enhancement Project. Team members come from the Asset Management Group, Civil Engineering, Construction and

Maintenance, Pavement and Grounds, Landscape, and Planning.

They worked successfully to complete Phase 1 of a 10 Year Habitat Enhancement Program to protect endangered species on the West of Bayshore ...the Red Legged Frog and the San Francisco Garter Snake. There was also teamwork with many different Federal, State and local agencies that played a regulatory role in approving the project.

There were about 40 team members, too many to mention all of their names, but he thanked the team members for their outstanding work.

Commissioner Mazzola offered his congratulations. He asked the team if they say a lot of snakes.

Mr. Ernie Eavis, Deputy Director, Facilities responded that they caught and tagged almost 500 snakes before the project began.

\* \* \*

#### J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:10 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:34 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito acknowledged Kevin Kone for receiving the AMFAC Managerial Award last week. It's a citywide recognition of his service and management skills in keeping us above water in the midst of these challenging times.

Mr. Martin added that Kevin has worked for the Airport for 19 years. He and Leo Fermin were directly involved in hiring him right out of business school. Kevin has done an outstanding job, especially in managing our Capital Finance Program through very difficult times. He has become a star not only for the Airport but within the municipal

finance industry he is recognized as one of the foremost players in the country.

Commissioner Mazzola congratulated Kevin on receiving this award.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

4. Award of Contract No. 8617 - Runway 28R-10L Overlay and Reconstruction Granite Rock Company, dba Pavex Construction - \$12,966,655

No. 09-0046	Resolution awarding Contract 8617, Runway 28R-10L Overlay and Reconstruction, to the lowest responsive, responsible bidder, Granite Rock Company, dba Pavex Construction in the amount of \$12,966,655.
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Mr. Eavis said that this contract will overlay and reconstruct Runway 28R-10L, repair the pavement, upgrade the runway and taxi lighting system and to increase the visibility of the runway pavement markings. This project was funded through the FAA's AIP Program and he believed this project will receive funding from the Stimulus program which will augment the AIP funding on the project.

We received five bids that were within 10% of each other. Pavex Construction is the lowest responsive, responsible bidder and we recommend awarding Contract No. 8617 to Pavex in the amount of \$12,966,655.

Commissioner Guggenheimer asked how the engineer's estimate was \$15,500,000 and all five bids came in under that.

Mr. Eavis responded that when we made the engineer's estimate the economy wasn't nearly as bad as it is now. Everybody is hungry for work.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

5. Authorization to Issue a Request for Qualifications to Establish a Pool of Qualified Contractors to Provide International Strategic Marketing Alliance Services for Varied Scopes of Work for Key Overseas Locations

No. 09-0047	Resolution authorizing issuance of a Request for Qualifications (RFQ) to establish a pool of qualified contractors to provide international strategic marketing alliance services for varied scopes of work for overseas locations and to negotiate with contractors in the pool in order to increase
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international passenger and cargo traffic and airport revenues.

Ms. Kandace Bender, Deputy Director, Communications and Marketing said that more than ten years ago San Francisco Airport established the International Aviation Development Program to help attract and retain new international travel to our Airport. Since that time we've attracted numerous new international carriers. We have increased services with our existing carriers and we have secured on the ground representation with more than a dozen countries around the globe, including India and we were the first city in America to do so.

All of this has helped to establish SFO as an important gateway to the United States. But the competition out there is fierce, with every state in the union now represented in China for instance, and increasingly airports and other cities are knocking on the doors of potential new carriers. Dallas/Forth Worth recently announced a \$4 million incentive program with marketing and rental incentives to try and attract new international service. Los Angeles Airport recently hired a marketing firm to "take back their share of the market" which they lost over the last 5-6 years so we are expecting a lot of competition out there from our competitors.

When your business, in this case passengers, is increasing exponentially every year there is no need to do intensive marketing efforts. But when you start to see a decline in your business or a potential decline that is the time to do marketing and to redouble your efforts. It is pretty clear that international traffic, while not necessarily in a free fall is definitely a bit shaky at airports around the world so we want to be sure that as we move into the next 4 or 5 years that we are positioned to attract and retain new international service at our Airport.

For the past 10 years we have been well served in our endeavors by our partnership with the San Francisco Convention and Visitor's Bureau and while we have no complaints about the level of service provided by this organization we felt the time was right to seek assistance from more than one qualified marketing firm. Having more than one vendor will obviously provide us with a large menu of available services and keep the process competitive and healthy. Therefore, we are seeking approval to Issue a Request for Qualifications and enter into negotiations for International Marketing Services. We anticipate a very vigorous response to the RFQ, including the Convention and Visitors Bureau. We propose establishing a pool of the three most qualified firms whose services we can utilize as projects arise and who can provide us with the best level of service for each of our projects depending on their individual strengths. The scope of work is yet to be finalized but certainly it will include international representation, media buys in foreign countries, international market research, joint marketing programs for new airlines and multiple language translations of all of our collateral.

The total RFQ would not exceed \$1.7 million per year and we would establish separate contracts with each of the three firms to provide services as we require them. According to City regulations the pool of firms must be refreshed every two years with the Commission approving their selection. Even if we entered into a five year contract with Marketing Firm A for instance, at the end of two years they would have to resubmit their qualifications to make sure that they are still meeting

our needs. We think this is very healthy and competitive. We ask for Commission approval to issue an RFQ for International Marketing Services. We will return to the Commission to authorize any contracts entered into with any of the firms.

Commissioner Ito assumed that our arrangements in the various countries where the Convention Bureau has hired staff will be terminated and we will start with new staff.

Ms. Bender responded that if they become the firm that can best provide us with representation in those countries we will continue with our partnership, if not we will select new ones.

Commissioner Crayton asked if we are unhappy with what they are doing now?

Ms. Bender responded that we are very happy, but we have had a 10 year contract with them and there is so much change in the marketing world and so much competition we think it is healthy for everyone to be competitive.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 10, was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

##### 6. Reject All Bids - Contract No. 8577 - Terminal 1 Carpet Replacement

No. 09-0048

Resolution rejecting all bids for Contract No. 8577, Terminal 1 Carpet Replacement and authorizing the Director to rebid the contract when ready.

Mr. Adrian Laekas, Sales Manager for Bentley Prince Street, a California based carpet manufacturer. He said that it now appears that this project will go out to rebid. He asked for help from Mr. Martin and the Commission in directing the Airport authorities to help them. They received a letter yesterday that was written by counsel and by Deputy Director Eavis and it gives them some hope as a California manufacturer that they may finally be able to provide carpet to the Airport again. He wanted to take this opportunity to ask the Commission to help give some direction to the Airport.

He read two sentences in a letter to his President: "We understand and appreciate Bentley Prince Street has worked hard to develop a product having an acceptable design however, Bentley has not presented the Airport with a backing to its carpet that meets the specifications." They acknowledge that. The next line further down is "our research has identified three manufacturers who can meet this specification ... CNA, Mohawk and Interface". They are an Interface Co. He asked that the Airport architectural staff, or whomever, give them very specific direction on what product staff has identified that Interface manufactures that can be provided to the Airport.



It's been frustrating and he feels that there may be some hard feelings because they have fought very aggressively to try and stay in this project as a California manufacturer with 500 employees looking for work every day. They are delighted that the Airport has said that our corporation makes an acceptable backing, but asked if the Airport would tell them what it is. They would like a little clarification otherwise they will be back in the same situation of returning to the Commission on appeal.

Mr. George Maibach, Vice President of International business for Bentley Prince Street. They have tried to put forth their best efforts. They are very passionate about the work and they are very passionate about providing product here in California. Bentley Prince Street has provided what they believed to be a performance alternative to the product backing that was specified on the bid proposal. They still believe that and, as Adrian mentioned, they are a part of Interface, Inc., and in the corporation they have access to all backing technologies within the group. They chose to offer a product they could make in California because they didn't think it would be right for them to bring a product in from Georgia and apply it in their plant in California. They wanted to do everything internally, so ultimately they would like the opportunity to provide an alternate backing option for this purpose as the other manufacturers that were mentioned in the memo yesterday are all from Georgia. They believe that they will be able to provide the Airport with an acceptable alternative.

The other thing that concerns them greatly is that they, and each of the other bidders who proposed products for this bid proposal, put forth what they all believed to be their best efforts. The bids were announced in a public forum and the low bid is now public knowledge for all of the bidders to see. They are concerned that everyone will understand the number that needs to be exceeded to win the project.

7. Authorization of Three Month Extension of Commercial Paper Dealer Agreements

No. 09-0049	Resolution authorizing a three-month extension of Commercial Paper Dealer Agreements to June 30, 2009, with no additional funding.
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8. Modification No. 1 to Exercise First One-Year Renewal Option with DAJA International, LLC to Manage and Staff the Airport's Curbside Management Program - \$3,270,000

No. 09-0050	Resolution approving Modification No. 1 to exercise the first one-year option of Contract #OPS PS 08-08770 with DAJA International, LLC to manage and staff the Airport's Curbside Management Program through June 30, 2010 at a cost not-to-exceed \$3,270,000 for the one-year option period.
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9. Cellular Site Leases Starting in Fiscal Year 2009/10

No. 09-0051

Resolution authorizing execution of new lease agreements for Cellular Service Antenna sites at the Airport starting in Fiscal Year 2009/10.

10. Modification to a Lease with the U.S. Government for the U.S. Drug Enforcement Administration

No. 09-0052

Resolution approving supplemental lease agreements to Lease #GS-09B-01545 with the U.S. Government to extend the term of the lease and modify the rent for space occupied by the U.S. Drug Enforcement Administration.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

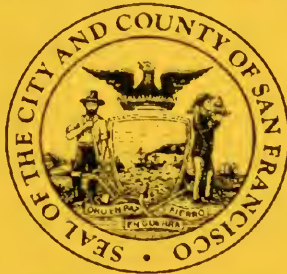
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K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:50 AM.

  
Jean Caramatti  
Commission Secretary

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**March 17, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

**GOVERNMENT  
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Minutes of the Airport Commission Meeting of  
March 17, 2009

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	4.	Select Consultant for Contract 8136D - 100% In-Line Explosives Detection Baggage Inspection Systems High Tech Maintenance - Brock Solutions	09-0056	8
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# AIRPORT COMMISSION MEETING MINUTES

March 17, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenhime

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 3, 2009 were adopted unanimously.

No. 09-0053

\* \* \*

## L. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

### 1. Retirement Resolution - Ms. Dorothy Schimke

No. 09-0054 Resolution thanking Ms. Dorothy Schimke for twenty-nine years of faithful service to the City and County of San Francisco.

Mr. John Martin, Airport Director said that Dorothy has been an employee with the City and County of San Francisco for 29 years, starting with the Airport in 1979 and moving to the Port in 1984. Dorothy worked at the Port as a Department Manager for Property Management and Leasing from 1984 - 1996. Dorothy then came to her senses and came back to the Airport. She has been an outstanding employee.

He has personally enjoyed working with Dorothy. She has been a consummate professional dedicated to her field. She is much respected by the tenants and by Airport staff. She has played a leading role in several areas including negotiating



a new lease for the SFO Fuel Consortium, very active involvement in the Rental Car Lease, the Common Use Operation in the International Terminal and the list goes on and on. He will personally greatly miss Dorothy, a warm relationship with her and her professionalism and wish her all the best in her retirement.

Commissioner Mazzola congratulated Ms. Schimke.

Ms. Schimke said that she has really been fortunate to have this opportunity to work for so many years for the Airport. It has put her in a position to meet and work with some of the most interesting and talented people not only in the City but in the world. She has worked on very unique projects that she would not have had an opportunity to work on in other venues. She thanked the Director and his predecessor and Gary Franzella and his predecessors, and the Airport Commission for giving her this opportunity to have such a rewarding and challenging career.

Commissioner Mazzola congratulated Ms. Schimke.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton asked the Director to comment on the reports in the paper regarding the runways.

Mr. Martin responded that about five years ago the FAA determined that they would like all airports to have runway safety areas at the end of runways ... 600 X 500 ft overrun safety areas. This is a particular challenge for 11 major US airports where the airports don't have land available for that purpose. We do have a study that is well underway ... he was just briefed on the progress on that study. In the next several weeks we will be able to give Commissioners an off calendar briefing on the options. We have found several options available that would either allow us to fully meet the requirement or come very close to meeting the requirement. There are significant costs involved and a lot of cost issues to try and work out with the FAA. The FAA requirements are to provide these runway safety areas, where possible, by 2015.

\* \* \*

#### F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was removed from the calendar.

##### 2. Shared-Ride Van Service - Request for Proposals (RFP)

Resolution approving the business terms and authorization to issue three Request for Proposals for On-Demand Shared-Ride Van Service between San Francisco International Airport and the Five Bay Area Counties (San Francisco, Alameda and Contra Costa Counties, and Santa Clara and San

Mateo Counties).

Commissioner Mazzola said that this item has been studied for a while and we all have our thoughts on this. He does not want to stifle anyone from speaking ... anyone wishing to speak can do so ... but he is not ready to vote on this yet so when it comes to a vote he is going to vote against moving ahead.

There is a lawsuit against SuperShuttle and we want to see where that ends up. He will let other Commissioners speak for themselves, but he does not think this item will go forward today.

Commissioner Crayton said that Commissioner Johns has to recuse herself and she has not had conversations with Commissioners Ito or Guggenhime, however, she knows that a lot of work and effort has gone into this. She respects the feelings of the Commission President, but we are going to have to do something sooner or later because we cannot have an anti-competitive environment at the Airport. She proposed removing this from the calendar and continuing it at another time so that we might have an opportunity to go back and work a couple of things before it returns to the Commission.

Commissioner Ito said that we've had over six months to process a lot of the major issues around this contract. She has thoroughly looked at the various issues that are keeping her from supporting it today. She wants to respect Tryg McCoy and his staff and the Director who have done due diligence. She feels that our staff has reached out to the business community and those impacted and we certainly have had a thorough vetting of the issues and the changes, and the concerns that need to be included in a new RFP, however, her overriding issue is that there is a lot of uncertainty in today's economy. We have serious concerns about quality, safety for our customers, as do those in the audience who are running these businesses. She wants to make absolutely sure when these changes take place that we provide the best service in the country. We are a little behind in terms of our model she wants to make sure we have all those aspects covered in a comfort level. She is not comfortable with what she is hearing about safety and customer service okay. She said that one of her fellow Commissioners has ridden a lot of vans and had personal experience. She has not done that. She is concerned about safety and customer service but does not want to rush to a quick decision. We have been waiting over 16 years with this moratorium. Given the current economic scheme of things, and she wondered if some of the smaller businesses are in a position to make these kinds of business decisions for themselves regarding merging or joint venturing. They will need to really look at their business plans. She would support putting this off until the litigation is settled and she feels comfortable in terms of the economic challenges that we are facing. She does believe there will be a change. She will vote for change when she feels comfortable of the timing and that things are falling into place. Customer safety and service levels need to be improved that, without a doubt.

Commissioner Guggenhime said that one weekend he decided he would go back and forth to the Airport. It took him about 7 ½ hours and he believes that he rode every single van service within the City and County in one day.

He respectfully disagreed with his fellow Commissioners. He felt the moratorium has gone on for a long time. We are a public agency and we need to resolve this matter. He asked the staff to look into either encouraging or requiring current operators to switch to green vehicles, which is a prime concern to the Mayor and many others in the City before we go out to competition. He asked staff to report back in a timely manner with respect to either requiring or asking the van companies, operators, drivers to consider seriously getting green vehicles.

Mr. Martin responded that we will remove the item from the calendar and return, as the Commission directed, when the lawsuit is settled one way or the other between Super Shuttle and its drivers. He will also follow up with a report to the Commission on green vehicles and any other service improvements and safety improvements we can make in the meantime. The report will include steps we can take, possibly through revisions to existing permits, to the door-to-door van operators.

Commissioner Crayton asked for information regarding issues surrounding the lawsuit.

Commissioner Mazzola responded that he thought it was about independent contracting..

Mr. Rob Maerz, Airport General Counsel responded that the lawsuit was brought by several Super Shuttle drivers. They represent all the major metropolitan areas in which there are California airports ... Los Angeles, Sacramento, San Francisco, San Jose, Oakland. The substance of the suit is a claim that the drivers are employees and therefore are entitled to minimum wage and benefits and rest breaks and things like that, rather than independent contractors which is the current business model that most of the operators employ in which the drivers provide their own vehicle and they are not considered employees they are considered independent contractors. That is the substance of the lawsuit that was filed. A second amended complaint was filed in January of this year. Realistically, the expectation is that the lawsuit will not be resolved for probably at least a couple of years, unless it was settled.

Commissioner Crayton reiterated previously stated concerns regarding customer service, safety and the condition of the vans. She has ridden some of them as well. As a regulatory body in the City and County of San Francisco with responsibility for oversight, it is our responsibility to insure sure that people who use this service are safe. She is concerned about that. Having heard that resolution to this lawsuit could be several years away she is not comfortable waiting that long to hear this item again. It is important to move on this but does not think it can be done today. She would like to explore economic solutions for smaller companies and have options for them. It is not always pleasant to change but we do need to move forward and we need to address the concerns of not only our customers but the Airport. She would like to see solutions in a couple of months.

Commissioner Mazzola said that this is removed from the calendar and anyone wishing to speak on the item will now have to do so under New Business.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Other Transaction Agreement with the Transportation Security Administration for the Terminal 2 In-line Explosives Detection System Matrix

No. 09-0055

Resolution authorizing the Airport enter into an Other Transaction Agreement with the TSA for partial reimbursement of the Terminal 2 In-line Explosives Detection System Matrix in an amount not to exceed \$15,800,000, subject to Board of Supervisors approval.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction said that on March 5, 2009 the Airport received notification from the TSA that a share of costs associated with the Terminal 2 Baggage Handling Systems Explosives Detection Systems Matrix (EDS), is being considered for reimbursement under the American Recovery and Reinvestment Act of 2009. According to the letter, funds have been tentatively approved and additional documentation is required to proceed with the application. Of primary importance is the authorization of a Contract Agreement between SFO and the TSA in the form of an Other Transaction Agreement, or OTA. The date of the executed OTA is the date after which all costs will be considered eligible for reimbursement, therefore given that the Commission has previously approved the award of the baggage handling system to Turner with Siemens as their successful subcontractor, the Airport is aggressively pursuing the development of the OTA and execution of the OTA with the TSA.

As of this past Friday, March 13, 2009, the Airport has fulfilled the additional documentation requirements by submitting to the TSA an updated detailed cost estimate, a schematic of the floor plan showing the TSA areas, a brief explanation of the Airport's review and approval process for the OTA and the estimated project milestones. The Airport intends to submit for board approval immediately following Airport Commission approval. Of the award amount to Turner for the baggage handling system of \$26.7 million the estimated EDS Matrix cost is \$17.26 million. The Federal appropriations language indicates that 90% of the EDS Matrix is eligible for reimbursement, which amounts to \$15.53 Million. This amount is subject to verification by the TSA based on their review of the cost estimate. The not-to-exceed amount indicates \$15.8 million. An adjustment was made on Friday to the contingency carried and that is why there is a difference between the \$15.8 and \$15.53 of which he just spoke. However, this is a not-to-exceed amount so we are not proposing to change the amount.

As part of the OTA the Airport will transfer ownership of four Airport-owned CTX 9000 machines to the TSA which were part of the original In-Line EDS System of the International Terminal. These machines are no longer required because following 9/11 the Airport changed the protocols for screening and eliminated the Stage 3 screening requirement. These machines were removed from the International Terminal in support of the Cargo Explosives Detection Pilot Program based on the change in protocols which made them available for that purpose.



\* \* \*

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 and 5, was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Selection of Consultant for Contract 8136D - 100% In-line Explosives Detection Baggage Inspection Systems High - Tech-Maintenance - Brock Solutions

No.09-0056

Resolution approving selection of Brock Solutions as the highest ranked proposer, and authorizing the Director to enter into negotiations and prepare a Professional Services Agreement for Contract No. 8136D, 100% In-line Explosives Detection Baggage Inspection Systems High Tech-Maintenance.

5. Reject All Proposals and Reissue a Request for Proposals for Contract 8895 for Background Investigation Services and Negotiate with Highest-Ranked Proposer

No. 09-0057

Resolution rejecting all proposals received in response to the Request for Proposals for Background Investigation Services and reissue a new Request for Proposals for Contract 8895 for Background Investigation Services and to negotiate a contract with the highest-ranked proposer.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:22 AM.

Original Signed by Jean Caramatti

Jean Caramatti  
Commission Secretary







# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

March 31, 2009  
Special Meeting

9:00 A.M.

Room 416 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

President

**LINDA S. CRAYTON**

Vice President

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

Airport Director

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SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Special Meeting of



March 31, 2009

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D.		DIRECTOR'S REPORT:		
	1.	Federal Economic Stimulus Funding for San Francisco International Airport		4-5
E.		ITEMS INITIATED BY COMMISSIONERS:		5
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Refinancing airport's Variable AMT Bonds on a non-AMT Basis	09-0059	6
	3.	Modification No. 5 - Contract 8757A - Design- Build for Terminal2/Boarding Area D Renovations - Turner Construction Co.	09-0060	6-7
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	5.	Bid Call - Contract 8663 - Runway 1R - 19L Overlay and Reconstruction	09-0062	7-8
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10.	Authorization to Establish Pool of Pre-qualified Firms to Provide Investment Banking, Interest Rate Swaps and Related Services	09-0066	9
11.	Authorization to Issue a Request for Proposals for the West of Bayshore San Francisco Garter Snake Recovery Action Plan Biological Monitoring Services	09-0067	9
12.	Modification No. 5 - Contract 8136C - In-line Explosives Detection Baggage Inspection Systems at Domestic Terminals - D.W. Nicholson	09-0068	9
13.	Authorization to Issue Request for Proposals for Biological Services in Support of Airport's Wildlife Hazard Management Plan and Wildlife Assessment	09-0069	9-10
14.	Commence Competitive Selection Process for Pay Phone Lease	09-0070	10
15.	Commence Competitive Selection Process for Sleep Units Lease	09-0071	10
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K.	ADJOURNMENT:		11



# AIRPORT COMMISSION SPECIAL MEETING MINUTES

March 31, 2009

## A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 416, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Caryl Ito  
Hon. Eleanor Johns

Absent: Hon. Rich Guggenheimer

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 17, 2009 were adopted unanimously.

No. 09-0058

\* \* \*

## D. DIRECTOR'S REPORT:

1. Federal Economic Stimulus Funding for San Francisco International Airport - Verbal Report

Report on the status of Federal Economic Stimulus Funding for the San Francisco International Airport.

Mr. John Martin, Airport Director, explained that SFO will receive FAA AIP Stimulus (Discretionary Grants) in the amount of \$5.5 million for Runway 28R - 10L Overlay and Reconstruction. The FAA District Office goal is to award 100% of the funds by June 17, 2009. SFO must put the project under contract within 30 days of award signing by the FAA, which can occur sooner than June 17.

We are seeking additional stimulus funds for:

- Runway 1R - 19L Overlay and Reconstruction project - total cost is \$16 million: FAA plans to award \$375,000 in FY2009 AIP Part B funding for design. We are requesting the remaining \$15.5 million be provided in AIP stimulus funding.
- Taxiways A and B Reconstruction Phase B project - total cost is \$11 million.

FAA plans to award \$562,500 in FY 2009 Part B funding. We are requesting that the remaining \$10.25 million be provided in AIP stimulus funding.

Transportation Security Administration (TSA) Stimulus

- On March 5, 2009 the TSA tentatively approved 90% for the Terminal 2 EDS matrix, or \$9.9 million.
- On March 13, SFO sent the TSA detailed cost estimates and diagrams, in advance of the March 19 deadline, with higher cost estimate. We are now pursuing \$15.6 million instead of \$9.9 million.

Other - FAA Facilities & Equipment Funding

- Air Traffic Control Tower - \$500,000 earmark in Omnibus bill
- Construction - leaseback plan - uncertain
- ATCT cost estimate of \$81 million

Other - VALE

- PC air project application - budget of \$16.3 million - 8 bids received with low bid at \$5.4 million.

Will pursue additional VALE funding for more projects:

- Hybrid vehicles - \$60,000 (incremental cost over gasoline) (two in FY09/10 Budget)
- Natural Gas Vehicles - \$1.7 million (incremental cost over gasoline ... 38 in 09/10 Budget)
- Solar Panels - cost to be determined
- 400 Hertz - Cargo Buildings - cost to be determined
- Underground fuel hydrant - cost to be determined
- Infrastructure for re-chargers at Terminal 1 - cost to be determined.
- Air Train extension to Long Term Garage

Citywide Stimulus Projects

As part of the City's Energy/Water Appropriations Working Group, four SFO projects were submitted in a group of 49 Citywide projects:

- SFO Energy Efficiency Upgrades - #4
- SFO Water Recycling - #44
- SFO Fuel Cells - #48
- SFO Wind Study - #49

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Refinancing of Airport's Variable AMT Bonds on a non-AMT Basis

No. 09-0059

Resolution approving conversion and refunding of outstanding Variable Rate Demand Bonds subject to "Alternative Minimum Tax" with "Non Alternative Minimum Tax" to realize debt service savings.

Mr. Leo Fermin, Deputy Director, Business and Finance said that about 57% (\$2.7 billion) of the Airport's outstanding tax-exempt bonds are subject to the Alternative Minimum Tax, or AMT; 40% (\$1.6 billion) are not subject to AMT. Since holders of the AMT bonds are required to factor in the interest payments on the bonds into an alternative minimum tax calculation on their tax returns, these bonds carry interest rates about one-half a percent higher to offset the potential AMT tax effect on the purchasers of the bonds.

Federal law now gives us an opportunity to convert AMT bonds to non-AMT status, reducing our interest costs. The resolution before the Commission provides for this for our outstanding variable rate bonds. This resolution provides for a negotiated sale up to \$550 million. We plan to use the same underwriters in the approved pool who are currently re-marketing the securities. If there is a need for substitutions, it will be only with underwriters in the new approved pool. Next month, we will return to the Commission to do the same thing for our outstanding Commercial Paper, and in May or June, the same thing for our outstanding fixed rate bonds. Other financing items coming in the months ahead include:

- Authorization to purchase, if necessary or beneficial to do so, bond insurance from both the new entrants, and the clean successor companies to the legacy bond insurers which were downgraded last year.
- Authorization for new one or more liquidity providers to provide letters-of-credit.
- And later this Fall, a new money bond sale resolution for the permanent financing of the Terminal 2 renovation and on the Five-Year Capital Plan.

Item No. 3 was moved by Commissioner Mazzola and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Modification No. 5 - Contract No. 8757A - Design-Build Services for Terminal 2/Boarding Area D Renovations - Turner Construction Company - \$1,692,000

No. 09-0060

Resolution approving Modification No. 5 to Contract 8757A, Design-Build Services for Terminal 2/ Boarding Area D Renovations to Turner Construction Co., in the amount of \$1,692,000 and establishing a substantial completion date.

Mr. Ivar Satero, Deputy Director, Design and Construction explained that this modification provides for a time extension to substantial and final completion and an amount of \$1,692,000 to cover the associated general conditions costs for the additional time.

Modification No. 2 added design services to incorporate scope which was not part of the original RFP. Certain issues were not fully developed as it was the intent of Staff to vet these issues with the expertise provided by the design-builder.

In particular, at the time of the RFP, the Airport had not completed the conceptual design of the Concessions Program, nor thoroughly studied the seismic/structural issues and apron layout. Staff intended to evaluate these issues with the assistance of the design-build team, which would provide the necessary technical expertise, perform alternatives analysis, which informs the decision-making with the cost/schedule impacts.

As presented in previous modifications, the Airport recognized that an increase in the contract time and an amount to provide for the additional duration for oversight and management is required to incorporate the added scope of work. Turner submitted a time extension request and cost proposal for the required services.

Staff successfully negotiated both the time and cost of the added Program scope.

The proposed new substantial completion date is January 24, 2011. Turner and the Airport agree that an earlier completion date should be required in all trade bid packages. Therefore, all subcontracted scope is to be complete by December 10, 2010. Also, Turner and the Airport agree that any schedule efficiencies which can be realized that offset the cost of the time extension will be pursued.

Funding for the time extension will be provided from Construction Contingency. Staff continues to maintain the appropriate overall contingencies for this stage of the project. The Project Budget remains unchanged at \$383 million.

HRC LBE subcontractor participation goal is 15%. Turner is committed to exceeding this amount for the overall contract, including this modification.

Item No. 4 was moved by Commissioner Mazzola and seconded by Commissioner Crayton. The vote to approve was unanimous.

4. Bid Call - Contract 8656 - International Terminal Roadway Expansion Joints Repair

No. 09-0061

Resolution approving the scope, budget and schedule for Contract No. 8656, International Terminal Roadway Expansion Joints Repairs, and authorizing Director to call for bids when ready.

Item Nos. 5 and 6 were called together and moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Bid Call - Contract No. 8663 - Runway 1R - 19L Overlay and Reconstruction

No. 09-0062

Resolution approving the scope, budget, schedule

and call for bids for Contract No. 8663, Runway 1R-19L, Overlay and Reconstruction.

6. Bid Call - Contract No. 8601B - Taxiways A and B Reconstruction - Phase B

No. 09-0063

Resolution approving the scope, budget, schedule and call for bids for Contract No. 8601B, Taxiways A and B Reconstruction, Phase B.

\* \* \*

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 7 was removed from the calendar without discussion.

Commissioner Ito was recused from voting on Item No. 9. The motion was made by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to recuse Commissioner Ito was unanimous.

Item No. 9 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

The Consent Calendar, Item Nos. 7 and 8, and 10 through 15, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Amendment No. 8 to DFS Group, L.P.'s Post-Security Master Retail/Duty Free Stores Lease No. 99-0035

Resolution approving Amendment No. 8 to DFS Group L.P.'s Post-Security Master Retail Duty Free Stores Lease No. 99-0035 1) for approximately 150 additional square feet, 2) increase of \$110,000 to the Minimum Annual Guarantee, from \$26,400,000 to \$26,510,000, and 3) modification to base year and base index for CPI adjustments to reference data for the first year of the Lease, all of which are contingent upon acceptance of these terms by DFS Group's Board of Directors, and directing the Commission Secretary to seek Board of Supervisor's approval for the same.

8. Award Professional Services Agreement - Contract 8136D - 100% In-line Explosives Detection Baggage Inspection Systems - High-Tech Maintenance - Brock Solutions - \$500,000

No. 09-0064

Resolution awarding the Professional Services Agreement for Contract No. 8136D, 100% In-line



Explosives Detection Baggage System High Tech Maintenance to Brock Solutions, in an amount not-to-exceed \$500,000, subject to the Human Rights Commission's determination of compliance with the appropriate provisions of Chapter 12B.

9. Modification No. 3 to SFO Medical Clinic Contract with Catholic Healthcare West, dba St. Mary's Medical Center - \$1,211,741

No. 09-0065                      Resolution approving Modification No. 3 to SFO Medical Clinic contract with Catholic Healthcare West, dba St. Mary's Medical Center in the amount of \$1,211,741.

10. Authorization to Establish Pool of Pre-qualified Firms to Provide Investment Banking, Interest Rate Swaps and Related Services

No. 09-0066                      Resolution establishing pool of pre-qualified firms to provide investment banking and related services.

11. Authorization to Issue a Request for Proposals for the West of Bayshore San Francisco Garter Snake Recovery Action Plan Biological Monitoring Services

No. 09-0067                      Resolution authorizing staff to Issue a Request for Proposals for the Biological Monitoring Services in support of the West of Bayshore San Francisco Garter Snake Recovery Action Plan.

12. Modification No. 5 - Contract 8136C - In-line Explosives Detection Baggage Inspection Systems at Domestic Terminals - D.W. Nicholson - Not-to-Exceed - \$1,575,000

No. 09-0068                      Resolution approving Modification No. 5 to Contract No. 8136C, In-line Explosives Detection Baggage Inspection Systems at Domestic Terminals with DW Nicholson, in an amount not-to-exceed \$1,575,000 for additional construction and systems integration services to complete throughput capacity improvements of EDS Baggage Handling System at the International Terminal Boarding Area G.

13. Authorization to Issue a Request for Proposals for Biological Services in Support of the Airport's Wildlife Hazard Management Plan and Wildlife Assessment

No. 09-0069                      Resolution authorizing staff to issue a Request for



Proposals for Biological Services in Support of the Wildlife Hazard Management Plan and Wildlife Assessment as required for commercial service airports certified under 14 Code of Federal Regulations Part 139.

14. Commence a Competitive Selection Process for the Pay Phone Lease

No. 09-0070

Resolution approving the proposed minimum qualifications requirements and lease specifications, and authorizing staff to commence a competitive selection process, and conduct an informational conference for the Public Pay Phone Lease.

15. Commence a Competitive Selection Process for the Sleep Units Lease

No. 09-0071

Resolution approving the proposed minimum qualifications requirements and lease specifications, and authorizing staff to issue a Request for Proposal, and conduct an informational conference for the Sleep Units Lease.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

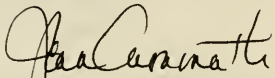
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM.

  
Jean Caramatti  
Commission Secretary

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**April 21, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

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Minutes of the Airport Commission Meeting of  
April 21, 2009

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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		Special meeting of March 31, 2009	09-0	4
D.		SPECIAL ITEM:		
	1.	Retirement Resolution - Chapman Solomon	09-0	4-5
E.		ITEMS INITIATED BY COMMISSIONERS:		5
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Award Contract 8909 - Domestic Terminals Pre-Conditioned Air - Trico Construction	09-0	5-6
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	3.	Airport Improvement Program - Project No. 3-06-0221-46 (Grant No. 46)	09-0	6
	4.	Bid Call - Contract 8596 - Power Distribution System Upgrade	09-0	6-7
	5.	Bid Call - Contract 8594 - Boarding Area A 400 Hertz System and Infrastructure	09-0	7
	6.	Authorization to Accept Proposals for Terminal 3 concourse Specialty Store Lease	09-0	7
	7.	Approve Revised lease Specifications, Minimum Qualifications and Bid Requirements and Authorization to Accept Bids for the Snack and Beverage Vending Lease	09-0	7
	8.	Modification No. 4 - Information Booth Program Contract - Polaris Research & Development	09-0	8
	9.	Authorization to Issue RFQ for Contract 8918 As-needed Management and Staff Training Consulting Firms	09-0	8

10.	Approve Lease with KLM Cargo, a Division of Royal Dutch Airlines for Office Space at West Field Cargo Building 648	09-0	8
11.	Modification No. 1 to Route 397 owl Bus Service Contract with Sam Trans	09-0	8
H.	NEW BUSINESS:		8
I.	CORRESPONDENCE:		9
J.	CLOSED SESSION:		
	Potential Litigation		9
K.	ADJOURNMENT:		9



# AIRPORT COMMISSION MEETING MINUTES

April 21, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenheim

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of March 31, 2009 were adopted unanimously.

No. 09-0072

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous

### 1. Retirement Resolution - Chapman Solomon

No. 09-0073 Resolution thanking Mr. Chapman Solomon for twelve years of faithful service to the City and County of San Francisco all of which have been at San Francisco International Airport.

Mr. Jackson Wong, Acting Airport Director said that Chap Solomon has worked for the Airport for the past 12 years in our Bureau of Community Affairs. He has worked on numerous outreach and public affairs projects. For the past four years one of his most important jobs has been coordinating the annual customer survey report and the data that we collect is vital to our ability to meet customer needs. On a personal note, one of his daily duties is updating the staff on what is happening in the media and he is going to miss Chap's friendly smile when he delivers that information. He is certain that many staff members feel the same way. Chap exemplifies professionalism and demonstrates his customer service

oriented attitude in everything he does. We wish him well and a healthy and a long retirement.

Commissioner Mazzola congratulated Chap on his retirement.

Mr. Chap Solomon thanked Mr. Wong for his kind words. It is a distinct honor and privilege to be here. It has been a pleasure working at the Airport for the past 12 years. He congratulated the Commission on having a world class airport.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous

2. Award of Contract No. 8908 - Domestic Terminals Pre-Conditioned Air - Trico Construction - \$5,348,546.49

No. 09-0074

Resolution awarding Contract No. 8908, Domestic Terminals Pre-Conditioned Air, to the lowest responsive, responsible bidder, Trico Construction, in the amount of \$5,348,546.49.

Mr. Ernie Eavis, Deputy Director, Facilities explained that this project installs 21 pre-conditioned air units at various gates at the Airport. This is an important project for us to become a green, environmentally sensitive airport. When this project is done we will save 4½ tons of carbon emissions being produced at the Airport each year. Seventy-five percent of the cost of this project is coming from a grant under the VALE Project which is a voluntary airport low emissions program. The cost to the airlines, the Airport is just 1/4 of the \$5.3 million. The savings in fuel for the first year will be 4.5 million gallons, which is almost \$6 million saved the first year. The payback to the Airport on this project is about 11 weeks, that is when we will break even for this project. The project will pay for itself before it is completed.

Eight bids were received, with the first seven bids within 10% of each other.

Commissioner Johns asked what is pre-conditioned air.

Mr Eavis responded that it is like putting little air conditioners at gates that supply cold air to airplanes. Without this, aircraft have to run their engines or diesel generators at the gates to provide cold air so that the interior of the plane doesn't overheat before they take off. Instead of running the engines or running diesel

generators, they hook up to our electrical system. It will cost an additional \$20,000 a year in our electrical bill, but that is a small price to pay compared to the amount of fuel savings achieved.

Commissioner Ito said that this is a remarkable program to save that much fuel and dollars. It's commendable. She asked if the DBE language "race neutral" is a new descriptive. She noticed that the language was used in another contract. She did not think that federal contracts had any LBE/DBE.

Mr. Eavis responded that there is a program that goes on with Federal projects that we do have goals for their MBEs/WBEs and DBEs. Once you meet the goal then the projects become race neutral. Since we've met the goal for this fiscal year the rest of the projects will become race neutral until the goals go into play again. At the beginning of the year, Sandra works with the Federal Government to set those goals for the year.

Commissioner Guggenheimer couldn't remember a time when the bids have been so close.

Commissioner Mazzola asked if there was an engineering estimate.

Mr. Eavis responded that the engineer's estimate was in between bid 7 and 8.

Commissioner Johns noted that the Items 2, 3, 4 and 5 are all in the same general area. Are we catching up?

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 3 through 11, was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Airport Improvement Program - Project No. 3-06-0221-46 (Grant No. 46)  
Grant Award

No.09-0075

Resolution authorizing the Director to expend Grant Offer No. 46 from the FAA (FAA) in the amount of \$5,500,000.

4. Bid Call - Contract No. 8596 - Power Distribution System Upgrade

No. 09-0076

Resolution approving the scope, budget and schedule for Contract No. 8596, Power Distribution System Upgrade, and authorizing the Director to call for bids when ready.

Commissioner Johns asked if we are upgrading the Power Distribution System for the entire Airport? She also asked if we are coordinating Terminal 2 with that.

Mr. Eavis responded that it is not for the entire Airport, it's for Station BR. Station BR is around the central garage area. We have numerous substations around the Airport. This contract will upgrade that substation so that we will have more power in the general vicinity of the Terminals and it supplies the power for the Terminals.

5. Bid Call - Contract 8594 - Boarding Area A 400 Hertz System and Infrastructure

No. 09-0077

Resolution approving the scope, budget and schedule for Contract No. 8594, Boarding Area A 400 Hertz System and Infrastructure, and authorizing the Director to call for bids when ready.

Commissioner Johns asked about the Hertz system.

Mr. Eavis responded that normal electricity runs as alternating current and it changes from positive to negative 60 times a second ... in physics its called Hertz. 400 Hertz changes from positive to negative 400 times a second so it becomes more closely related to direct current. That lets you make larger motors, larger components smaller, allowing planes to run more efficiently. However, when a plane is on the ground they need a 400 Hertz system that changes from positive to negative 400 times a second rather than 60 times a second.

Mr. Wong added that we do this so that aircraft will have a landside connection and not have to run off their jet engines or a diesel motor.

Commissioner Johns said that it helps to understand these technical issues. She is glad to see that we are updating.

6. Authorization to Accept Proposals for Terminal 3 Concourse Specialty Store Lease

No. 09-0078

Resolution approving revised lease specifications, minimum qualification requirements, and proposal requirements, and authorizing staff to accept proposals for the Terminal 3 Concourse Specialty Store Lease.

7. Approve Revised Lease Specifications, Minimum Qualifications, and Bid Requirements, and Authorization to Accept Bids for the Snack and Beverage Vending Lease

No. 09-0079

Resolution approving the revised lease specifications, minimum qualifications, and bid requirements, and authorizing staff to accept bids for the Snack and Beverage Vending Lease.

8. Modification No. 4 - Information Booth Program Contract - Polaris Research and Development, Inc. - \$1,185,000

No. 09-0080 Resolution approving Modification No. 4 to exercise option to renew the contract for the third of four additional one-year terms in an amount not-to-exceed \$1,185,000 for contract year commencing July 1, 2009 through June 30, 2010, for a new total contract amount not-to-exceed \$4,165,960.

9. Authorization to Issue a Request for Qualifications for Contract No. 8918 As-Needed Management and Staff Training Consulting Firms

No. 09-0081 Resolution authorizing issuance of a Request for Qualifications for Contract 8918 for a pool of qualified consulting firms to provide as-needed management and staff training services and authorizing staff to conduct negotiations with the highest-ranked firms.

10. Approval of a Lease with KLM Cargo, a Division of KLM Royal Dutch Airlines, a Dutch Corporation as Lessee of Office Space at West Field Cargo Building 648

No. 09-0082 Resolution approving a lease with KLM Cargo for office space at West Field Cargo Building 648.

11. Modification No. 1 - Route 397 Owl Bus Service Contract - Sam Trans - \$190,000

No. 09-0083 Resolution approving Modification No. 1 to exercise the first of four one-year options to renew a contract with Sam Trans to help defray the unrecovered costs of operating the Route 397 Owl Bus Service. The annual cost is not-to-exceed \$190,000 for the fiscal year from July 1, 2009 to June 30, 2010 for a total contract amount not-to-exceed \$395,000.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.



\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:15 AM.

  
Jean Caramatti  
Commission Secretary



# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**May 5, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

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SAN FRANCISCO, CALIFORNIA 94128**



Minutes of the Airport Commission Meeting of  
May 5, 2009

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# AIRPORT COMMISSION MEETING MINUTES

May 5, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Caryl Ito  
Hon. Eleanor Johns

Absent: Hon. Rich Guggenheimer

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 21, 2009 were adopted unanimously.

No. 09-0084

\* \* \*

## D. SPECIAL ITEM:

### 1. National Oceanic and Atmospheric Administration (NOAA) Award Presentation to John L. Martin

John L. Martin, Airport Director introduced David Reynolds, Meteorologist for the National Oceanic and Atmospheric Administration who will present an award to the Airport. Mr. Reynolds is in charge of the Monterey and San Francisco Areas.

Mr. David Reynolds explained that his purpose today is to recognize San Francisco Airport as Storm Ready.

Americans live in the most severe weather prone country on earth. Each year on average 10,000 thunderstorms, 5,000 floods, 1,000 tornados and six hurricanes affect the nation. Some 90% of our presidentially declared disasters are weather related. These disasters lead to around 500 deaths per year and 14 billion dollars in damages. Storm Ready Programs started in 1999 in several communities around Tulsa, Oklahoma. Communities can now rely on Storm Ready to help guard them against the ravages of mother nature by ensuring they have redundant systems to receive and disseminate weather information, locally

monitor weather conditions, have up to date hazardous weather plans in place and continue expansive outreach, education and awareness campaigns. Storm Ready arms America's communities with the communication and safety skills needed to save lives and property before, during and after an event. Storm Ready helps community leaders and emergency managers strengthen local safety programs. Storm Ready Programs solidifies the relationship between the local national weather service forecast office so that each rely on the other for critical information during weather emergencies. Storm Ready Certification means that San Francisco International Airport facility is better prepared to anticipate and respond to potentially hazardous weather through better planning, education and awareness. For San Francisco Airport, thanks to the Airport's already comprehensive awareness program regarding the dangers of high winds, heavy rain and thunderstorms, certifying you as Storm Ready was relatively easy. An infrastructure was already in place to warn San Francisco International staff of weather hazards via a long established MOU between the National Weather Service and Airport management. I am confident that the staff of San Francisco International Airport are well prepared for any potential weather related emergency by the ongoing sincere and beneficial relationship between the National Weather Service in Monterey and San Francisco officials led by Bill Wilkinson, Manager of Emergency Operations.

Working with Bill has been a terrific experience and I sincerely respect his dedication to the job and those people that are responsible for keeping San Francisco International Airport a safe and secure environment. I can honestly say that those that work here at San Francisco International as well as the millions that pass through each year can be assured they are well prepared for anything that Mother Nature may throw at them with the excellent team you have in place. I would also like to recognize Mr. Mark Stroben, the lead forecaster from my office, who helped facilitate the Storm Ready Certification process.

I pledge to you that the National Weather Service is committed to continuing to partner in the future with San Francisco International to maintain and improve emergency preparedness. San Francisco International becomes only the second airport in the country and will be the largest airport in the country to have earned the distinction of Storm Ready and joins the growing list of Storm Ready communities nationwide that now include over 1,300 cities in 50 states, Puerto Rico and Guam. On behalf of the National Weather Service I hope you will proudly display your signs to show your great accomplishment.

Commissioner Mazzola thanked Mr. Reynolds for the presentation and congratulated Mr. Martin and the Airport staff.

Mr. Martin thanked Bill Wilkinson.

Commissioner Mazzola said that this is quite an honor.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:



There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 2 and 3 were called together and moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Designate \$61,000,000 of Passenger Facility Charge as Revenues for Payment of Debt Service in Fiscal Year 2009/10 and Apply such Amount to Airline Rates and Charges as Needed

No. 09-0085

Resolution approving designating \$61,000,000 of Passenger Facility Charge ("PFC") as revenues for payment of Debt Service in FY2009/10 and apply such amount to Airline Rates and Charges as needed.

Mr Leo Fermin, Deputy Director, Business and Finance explained that these two items are related in that we collect Passenger Facility Charges of \$4.50 per enplanement, use the amounts designated as revenues to pay debt service and this then effects the amount we need to collect from the airlines through rates and charges. Over the past several years we successfully reduced airline rates and charges and we achieved our strategic plan goal of getting airline costs per enplanement down to \$13.00. This enabled us to both maintain existing airline service as well as attract new service. Looking forward, our challenge now is to contain costs and to moderate rate increases given the state of the aviation industry. One tool we use is to apply PFC collections to pay debt service.

Agenda Item 2 declares \$61,000,000 of collections as revenues and authorizes using up to that amount to pay debt service. With this use of PFCs in Agenda Item No. 3 we are able to limit the landing fee and terminal rental rate increase to 5%. The landing fee rate will go from \$3.00 per 1,000 lbs to \$3.15 and the average terminal rental rate will go from \$95.85 to \$100.61.

As in years past we are continuing with our gradual move towards cost recovery in various areas, increasing some rates. However, many other rates and charges will be kept the same. Since we are budgeting a 9.5 decrease in enplanements the actual airline cost per enplanement in our budget will increase by 12% from \$13.20 to \$14.79.

Commissioner Crayton asked if this is the first time we have used the PFC for payment of debt service.

Mr. Fermin responded that we have been doing this since some time after September 11. This was one of the steps we took to keep costs down for the airlines in view of our rising debt service after the completion of the Master Plan and the downturn in aviation traffic.

Commissioner Johns asked if this is the most we have designated.

Mr. Fermin responded that it is. Moving forward we still plan to apply a portion of our collections to Capital Project use as well, and over time we intend to continue applying some in the future.

Commissioner Crayton said that prior our enacting the PFC we didn't need those revenues, but now it appears that those revenues are necessary for the operation of the Airport and getting things done. She is a little concerned about the rate and how we are able to do that.

Mr. Martin added that the PFC has not kept up with inflation. We have been capped at \$4.50. If we adjust for inflation it should be close to \$8.00 and we are working hard with our trade associations in Washington to try and get Congressional approval to raise that to at least \$7.00 or 7.50. If that gets through Congress it will allow that increase to be used to fund Capital Projects directly rather than being used to pay debt service.

Commissioner Crayton asked if we are charging the same amount as other airports.

Mr. Martin responded that most of the large airports charge a PFC, with the exception of Houston.

Mr. Fermin added that \$4.50 is the maximum amount permissible under current law.

Mr. Martin thought that Oakland and San Jose are at \$4.50.

Commissioner Ito asked how long ago that standard was set.

Mr. Martin thought that 1999 was the last time Congress adjusted the allowable PFC. He thought that 1999 might have been the first year we imposed a PFC.

Commissioner Johns noted that Item No. 3 indicates that the San Francisco Airport Airlines Affairs Committee would have to approve the rate increase.

Mr. Fermin responded not technically. The Lease and Use Agreement requires us to notify and review the proposed rates with them. We have notified them at least 60 days in advance of implementing the new fees.

Commissioner Johns asked what the reaction has been to this particular increase.

Mr. Fermin responded that naturally they would have preferred no increase, however, they were okay with the 5% increase.

Mr. Martin added that generally a lot of other airports are seeing larger increases because of the drop in passenger traffic, so overall the airlines are satisfied at how we are doing against other airports.

Mr. Fermin added that we have reviewed it with them several times at a number of meetings.

Commissioner Johns asked what is the total Fiscal Year Passenger Facility Charge ... \$61 Million is what percent of the total?

Mr. Fermin responded that we project to collect about \$66 million during the next fiscal year. After we apply the \$61 million we will still have about \$48 million left in our fund balance.

Commissioner Johns asked if that was because we have savings over the years in that particular account.

Mr. Fermin responded that it is. We have not used all of the monies collected in the previous years.

Commissioner Ito asked if this goes to the Board of Supervisors next.

Mr. Fermin responded that it does not.

3. Adoption of Fiscal Year 2009/10 Airport Rates and Charges

No. 09-0086	Resolution approving establishment of Airport Rates and Charges for Fiscal Year 2009/10.
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Item Nos. 4, 5 and 6 were called together and moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Refunding of Airport's Fixed-Rate AMT Bonds on a Non-AMT Basis

No. 09-0087	Resolution authorizing the refunding of outstanding Fixed Rate Revenue Bonds subject to "Alternative Minimum Tax" (AMT) with non-AMT Bonds and authorizing the solicitation of current bondholders to tender their bonds to the Commission for purchase from proceeds of refunding bonds.
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Mr. Fermin explained that the next three items are a continuation of our proactive management of our debt portfolio. On March 31<sup>st</sup> the Commission approved the conversion of our variable rate AMT notes to non-AMT notes.

The first item before the Commission provides the same authorization for our fixed rate AMT Bonds, however, there is one difference between the conversion of the variable rate bonds and this conversion of the fixed rate bonds. The variable rate notes are all seven day notes so the conversion can occur when the notes mature every seven days. But, our fixed rate bonds have maturities in 2011, 2012, 2016 and 2025. The ones through 2016 are non-callable, meaning we don't have the

ability to require the bondholder to surrender their bonds to us. The 2025 notes are callable only in 2018. So what you are approving is a tender offer, one in which we offer to buy back the bonds. At this time we just do not know how many bondholders will be willing to turn in their bonds to us at the price we set which will be based on market prices and our requirement that we achieve debt service savings.

The next two agenda items create a new series of non-AMT Commercial Paper Notes and provides for the use of Multiple Letter of Credit Facilities to back up the Commercial Paper Notes. Currently, we only have one Letter of Credit provider which provides liquidity for a maximum of \$200 Million in Commercial Paper. Our plan is to try to get up to \$400 Million in Letters of Credit so that we will be able, if necessary, to issue the full \$400 Million in Commercial Paper previously approved by the Commission and the Board of Supervisors.

We will return in June to seek approval of sale resolutions for new money bonds for our 5 Year Capital Projects Plan and bond anticipation notes. With the two year tax holiday on AMT status of the bonds in the Federal Stimulus Legislation we are now seeing improvements in the ability to access the financial markets with new money bonds by airports. Nonetheless we are preparing a Plan B to go with short term bond anticipation notes in case the bond market worsens instead of continues to improve. In June we will also seek the award of new Commercial Paper dealer contracts to help carry out our Commercial Paper Program.

Commissioner Johns asked what the advantage would be to any one to want to do this? Wouldn't they would be earning a lower interest rate on the bonds?

Mr. Fermin responded that it all depends. When we make an offer we will be making some premium above the current market price, but the trick is to balance the premium similar to a call provision ... when you call a bond sometimes you pay 1% or 2% more above the price to induce bondholders to surrender their bonds. There may be an incentive for individual bondholders who want their cash back for whatever purpose.

Commissioner Johns asked if they can get their capital back and not reinvest.

Mr. Fermin responded that they can. They are not forced to reinvest.

Mr. Fermin responded that they are not forced to reinvest. There may be instances where bond holders may want to get their cash back and use it for other purposes. Other bond holders may decide not to surrender their bonds. For example, if the price we offer is at current market levels but less than the price paid for the bonds, institutional investors may be prohibited by the rules of their institution from surrendering the bonds to us and incurring a short term paper loss.

Commissioner Johns asked Mr. Fermin if he knew, within a range, what interest rates these bonds are at currently.

Mr. Fermin responded that the fixed rate bonds are probably in a 3-5% range.



Commissioner Johns said that the executive summary to Item No. 6 says that the "attached resolution authorizes the selection through a competitive selection process to the extent practicable or desirable of banks and insurance companies that meet minimum ratings criteria." Why minimum? Why wouldn't we want them to be beyond minimum?

Mr. Fermin explained, for example, that an insurance company must have a credit rating of at least AA, meaning that the insurance company must have a minimum rating of at least AA or AAA, they can not be a B rating or anything below that.

Mr. Martin said that we are very clear about the standard we will accept.

Commissioner Johns said that the way it's written is unclear. It appears to mean that we are looking for minimum standards, when what we want is maximum standards.

Mr. Fermin understood the point.

Commissioner Ito asked, relative to the rating of the Credit and Liquidity providers what is the timeframe?

Mr. Fermin responded that our current liquidity provider, State Street, carries a \$200 Million letter of credit which is good until the end of 2011. In the meantime, we plan to go out in the next few months to try and augment that one provider with one or possibly two providers. However, currently we are not very optimistic that we will be able to find additional Letter of Credit providers since the market just hasn't recovered completely. Our timeframe is to have something in place this year in order to have the Commercial Paper capacity to help finance our capital projects as necessary. In addition, we also plan to be ready to go with short term one or two year bond anticipation notes to help finance our Five Year Capital Plan in the event the 30 year long term bond market does not recover fully. We are optimistic given the new tax legislation.

Commissioner Crayton asked if we did this about two years ago?

Mr. Fermin responded that we do Commercial Paper on an ongoing basis.

Commissioner Crayton asked if the Director will choose the investment banking firm. Is there a pool that we have always used?

Mr. Fermin responded that within the pool of underwriters there are also liquidity providers in the pool so this will go through the competitive process and the Director will choose.

5. Establish a Fourth Series of Commercial Paper Notes to Achieve Debt Service Savings and Provide for One or More Subseries of Notes to Accommodate the Use of Multiple Letters of Credit

Supplemental Resolution No 99-0299 to provide for a Fourth Series of Commercial Paper Notes and provide for one or more subseries of notes to accommodate the use of multiple Letters of Credit.

6. Authorize and Approve Actions Relating to Credit and Liquidity Facilities for Bonds and Commercial Paper Notes

No. 09-0089

Resolution authorizing and approving selection of certain Credit and Liquidity Facility Providers and the execution and delivery of certain Credit and Liquidity Facilities for Bonds and Commercial Paper notes of San Francisco International Airport and delegating certain related actions to the Airport Director.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Award of Contract No. 8427BR - Mel Leong Treatment Plant Shop Building Construction - Schembri Construction - \$6,368,536

No. 09-0090

Resolution awarding Contract 88427BR, Mel Leong Treatment Plant Shop Building Construction, to the lowest responsive, responsible bidder, Schembri Construction, in the amount of \$6,368,536.

Mr. Ernie Eavis, Deputy Director, Facilities explained that this is the first phase of the modernization of the Industrial Treatment Plant which is part of the Mel Leong Sewage Treatment Plant. This part of the project will replace the existing shop building with a much larger, more modern shop building. The existing building is almost 30 years old. The space is insufficient to repair the equipment. Also, in the last 30 years there has been a big change in the makeup of the people that are working at the Treatment Plant and this will provide men's and women's locker rooms in the shops.

When the project is finished we will have a completely revised Industrial Treatment Plant which treats the first flush for rainfall; it also takes care of washing down planes; things that would kill the bacteria in the Sewage Treatment Plant is treated at the Industrial Treatment Plant. That water will be recycled and used for landscaping and other uses.

Five bids were received, with Schembri Construction submitting the lowest responsive and responsible bid in the amount of \$6,368,536.

Commissioner Ito asked why S..J. Amoroso didn't have any change in its bid amount and didn't receive the 10% discount.



Mr. Eavis responded that they don't qualify for the discount because the company is too large.

Commissioner Ito asked if the LBE goal was exceeded because 16% is quite high.

Mr. Eavis responded that the LBE goal came to 18% and they made good faith effort, however, looking at the numbers it appears that they did meet the goal.

Item No. 8 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

8. Award Boarding Area F Specialty Retail Kiosk Lease A and Lease B - Pacific Gateway Concessions, LLC - \$140,000

No. 09-0091	Resolutions awarding the (1) Boarding Area F
No. 09-0092	Specialty Retail Kiosk Lease A to Pacific Gateway
	Concessions, LLC for a minimum annual guarantee
	of \$85,000 for the first lease year; and (2) Boarding
	Area F Specialty Retail Kiosk Lease B to Pacific
	Gateway Concessions, LLC for a minimum annual
	guarantee of \$55,000 for the first lease year.

Mr. Fermin said that a competitive selection process was conducted for two new retail kiosks in the finger of Boarding Area F between Gates 84 and 82. Lease A is for a kiosk closer to the hub near the start of the first moving walk. This will be a Sees Candy kiosk operated by Pacific Gateway Concessions whose proposal was the highest rated. The second kiosk will be under Lease B and will be in the center of the concourse further down between the Buena Vista Restaurant and the Wine Wisdom retail store. PGC will also be the operator for the second kiosk selling environmentally friendly merchandise under a concept of Destination Green. This concept will feature products from recycled materials, merchandise from suppliers that give back to environmental causes, products that can be reused rather than disposed, and products from upcoming new trendy green companies. We are targeting to have these kiosks in place this coming October.

Item No. 9 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

9. Terminal 1 Boarding Area C Retail Lease - Hudson News Company - \$1,385,000

No. 09-0093	Resolution awarding the Terminal 1, Boarding Area
	C Retail Lease to Hudson News Company, for a
	minimum annual guarantee of \$1,385,000 for the
	first lease year.

Mr. Fermin explained that this lease comprises three retail locations totaling 3,789 square feet in Boarding Area C ... a news and gift shop near Gate 40, a specialty retail shop near Gate 41 and a Newsstand near Gate 45.

Three proposals were received with Hudson achieving the highest overall score. Hudson proposed a minimum annual guarantee of \$1,385,000, which was \$285,000 more than the minimum annual guarantee proposed by the second highest rated proposer. Besides the newsstand the news and gift shop will feature San Francisco product icons and packaged specialty foods and condiments from Bay Area farms and wineries. Hudson proposed to create a specialty retail shop with a gallery San Francisco theme in the third space which will include three merchandise concepts or stores within a store. The first is a travel and leisure store inspired by Travel and Leisure Magazine featuring luggage and accessories with brands such as Gravis, Tume, Teatac and North Face. The second is called Indulgences, Hudson's proprietary bath and skin care concept, which will carry some of the finest international and local San Francisco names in bath and beauty care such as Bliss, Zlather, Sonoma Lavendar, Bodytime and so on. The third concept will be the Fossil line of vintage accessories, leather goods, handbags, watches and sunglasses. We plan to turn over the spaces in early September and hope to have all of the shops open before Christmas.

\* \* \*

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 10 through 18, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

10. Voluntary Airport Low Emissions (VALE) Program Grant Acceptance

No. 09-0094	Resolution authorizing the Director to expend a Grant Offer from the Federal Aviation Administration (FAA) in the amount of \$4,987,328.
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11. Award of Contract No. 8587A - Storm Drain System Improvement - East Field Pipelines - JMB Construction, Inc. - \$1,118,300

No. 09-0095	Resolution awarding Contract No. 8587A, Storm Drain System Improvement - East Field Pipelines, to the lowest responsive, responsible bidder, JMB Construction, Inc., in the amount of \$1,118,300.
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12. Award of Contract No. 8517 - Storm Drain Pump Station 6 and Sewer Improvements - Synergy Project Management - \$362,882

No. 09-0096	Resolution awarding Contract No. 8517, Storm Drain Pump Station 6 and Sewer Improvements, to the lowest responsive, responsible bidder, Synergy Project Management, in the amount of \$362,882.
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13. Award of Contract No. 8314C - Airport Facilities Mechanical and Plumbing Improvements - EVRA Construction, Inc. - \$346,194

No. 09-0097                      Resolution awarding Contract No. 8314C, Airport Facilities Mechanical and Plumbing Improvements, to the lowest responsive, responsible bidder, EVRA Construction, Inc., in the amount of \$346,194.

Commissioner Mazzola noted that this item has two bidders to do plumbing and mechanical work but they don't list themselves as plumbing contractors. Are they general contractors?

Mr. Ernie Eavis responded that they are general contractors, but they have hired subcontractors to do the plumbing work.

Commissioner Mazzola asked if we know who the subs are going to be.

Mr. Eavis responded that they are listed in the package ... Dire Plumbing.

14. Award Contract No. 8861 - Airport Security Threat and Vulnerability Assessment New Age Security Solutions - \$375,000

No. 09-0098                      Resolution awarding Contract No. 8861, Airport Security Threat and Vulnerability Assessment to New Age Security Solutions (NASS) in an amount not-to-exceed \$375,000.

15. Modification No. 2 to the Marketing Services Contract with M-Line - \$1,218,000

No. 09-0099                      Resolution approving Modification No. 2 to the Marketing Services contract with the M-Line, a certified LBE, to exercise the first of two one-year options to extend the term through July 15, 2010 and to increase the contract amount by \$1,218,000 for a new contract total amount of \$3,318,000.

Commissioner Ito understood that part of the M-Line contract included promoting public transportation to SFO. She wondered if there is recent communication with the announcement that BART is trying to double the cost to come to SFO and how that is going to impact our marketing.

Ms. Kandace Bender, Deputy Director, Communications and Marketing responded that we are following it, although we have not had discussions with BART because it is still in the exploratory stages with the BART Board. We don't think that this would be great for our Marketing efforts.

BART ridership continues to increase every year. It's quite high.

16. Reject All Bids - Contract 8873B - Asbestos Abatement/Interior Demolition for Building 575

No. 09-0100

Resolution rejecting all bids for Contract No. 8873B, Building 575 Asbestos Abatement/Interior Demolition and readvertise the contract.

Commissioner Crayton said that it appears that Schembri Construction, to whom we just awarded a contract, found that one of the bidders was not licensed and the other were non responsive, and asked why we did not find this first.

Mr. Ivar Satero, Deputy Director, Design and Construction responded that we would have. They submitted a letter of protest, right after the bids were opened, asking for all of the bid documents and that information was provided. We certainly would have found that in our investigation as well. We would have come to that determination. The HRC has to approve these bid documents so we were going through our process at the same time.

Commissioner Crayton asked they found out before we did.

Mr. Satero responded that he did not think they found out before we did. They requested documents immediately while we were doing our review. Our review consists of gathering up the five-day documents as well as the bid documents and transmitting them to the HRC for their review. They looked at the bid documents immediately following the bid opening, submitted their letter which was timely, at the same time we were doing our review so it was a parallel process.

Commissioner Crayton asked if Schembri has done business with the Airport prior to award of the contract on Item No. 8.

Mr. Satero responded that they have had a number of contracts at the Airport.

Commissioner Crayton asked if this a pattern. Have they been receiving all of the bids? She was wondering why they were able to be the lowest bidder each time. She understood that they receive the 10% discount because they are a smaller company, however, they have been in business for a while.

Mr. Satero responded that on this particular contract they were quite a bit higher than the lower bids. There were quality contractors who submitted lower bids who are very familiar with this line of work. Unfortunately they did not do the HRC requirements as required. In this bid climate there is a lot of competition out there and Schembri has received contracts before similar to other contractors that are successful at the Airport. For this particular contract there is competition in the low bid.

We will rebid this contract with the current scope of work, however, we are going to add additional remediation. At \$50,000, it's a smaller scope of work. There is very competitive bidding in this contract and we think it is appropriate to rebid, improve upon the HRC documentation, work with the contractors and do better



in submitting all of the documents and meeting the goals and requirements.

17. Authorization to Commence a Competitive Selection Process for the Domestic Terminals Automated Teller Machines Lease A and Lease B

No. 09-0101

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to Issue a Request for Bid and conduct an informational conference for the Domestic Terminals Automated Teller Machines Lease A and Lease B.

18. Six Month Trials for Rapid Charge Units

No. 09-0102

No. 09-0103

Resolution authorizing concurrent six-month trials with Hercules Networks Holdings LLC, in joint venture with Cladd Holdings & Consulting, LLC, and Smarte Carte, Inc., for the operation of rapid charge units in the Terminal Complex.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Ms. Molly Gomez: I have worked at SFO for over twenty-nine years. I am here today to urge you to reconsider your decision to extend the leases for the SFO food operators at this time. I don't understand why you would want to extend the leases so early in the contract with less than half the lease completed. I believe that extending the leases now is bad for San Francisco financially. I spoke here in February of 2003 regarding job retention when SFO decided not to renew Host International's concessionaire lease and decided to go directly with 23 other operators. San Francisco took a risk and tried something new and innovative brining in local restaurants with the hope of improving food variety and quality and to provide a good experience for the traveling public, and to increase the profits of SFO and the City of San Francisco proper. This was a risk with a lot of unknowns. Host was a proven entity with enough experience and capital to endure downturns in the business cycle. The multi-group employers made up of a group small local business owners have not yet proven that they are stable and viable companies that can ride out this recession and business downturns in general.

For example, in January of this year 20 operators were delinquent in their rent payment and one operator in particular was severely delinquent. H. Young of Just Desserts was \$100,000 in arrears. Some companies raised their menu prices without

contractual approval. These companies have not been respecting the contract they have with you. Why would this Commission want to reward bad corporate behavior? Extending the leases now is not good for San Francisco financially at this time. Additionally, there are more financial reasons not to rush for an extension. In a recent national survey of other airport concessions across the United States, San Francisco ranked high on revenue but low on profit in comparison to what other cities are making on concessions. If you compared the revenue to profit ratio San Francisco could possibly be brining in approximately \$5 million more in which the City of San Francisco would get 15%. When concession revenue profits rise a cycle begins in which the Airport can lower airlines fees which results in more flights. More flights results in more concession money and more airlines returning to SFO like Southwest Airlines did. Why would you want to extend a 10 or 12 year lease in the fourth or fifth year now without getting anything in return, the least of which would be respecting the current lease. Please no extensions now. Thank you for your time.

Ms. Helena Lee: I work for Go Bistro and Anchor Steam. I have been working at the Airport around 16 years and in my experience Airport concession are real money makers. Getting to have a business at the Airport is like getting to have a golden duck that lays golden eggs. But what does the Airport get for letting these businesses stay at the Airport? Not enough. SFO gets less concession rents than other airports. Why is the Airport giving away this golden egg? The airport should not give away these lease extensions. This is very important to me because I have been a San Francisco City citizen for 30 years. The City is in a budget crisis. We need money for public transportation and public service. These are very important to my friends and other San Francisco families. We cannot give away these lease extensions right now. Thank you.

Mr. Jesse Johnson: First I'd like to thank the Commission for its time this morning. I've been employed at San Francisco International for about twenty seven years. We, the Union, feel that our appeal this morning is timely and urgent. In these challenging times when we all are striving to secure our fiscal matters we feel it is time the Airport do the same. I especially want to highlight the point because currently San Francisco Airport has been losing millions of dollars and charging below market rents to vendors. Most importantly, even with this reduced rate there is still an outstanding amount of approximately \$6 million in back rent. Fifteen percent of the revenues collected at SFO comes to the City of San Francisco through the City's budget and could be used. We feel granting lease extension to vendors that owe a large amount of money in the form of back rent is not good business usage of the Airport's opportunity to grow the City's share of the money. We feel granting reduced landing fees and rent for the airline would be a better way to increase revenue with the airlines being able to reduce ticket prices. As a bartender I've heard many stories of people losing their homes as a result of not paying their mortgage on time; the same should be expected of vendors at the Airport or grant the ones that do follow all of the rules and pay opportunities to acquire more units. We feel that lease extension at this time is not warranted and being under current agreement the lease is good for another five years. I thank you.

Ms. Carol Whittaker: I am a native San Franciscan and want to present these petitions that we have all signed at the Airport to each of you and I want to let you know that the people who signed these, we are the oil in the machine of the Airport that makes it go. We are the ones that meet the people, greet the people and sell everything and make



money for the City and the Airport.

Mr. Mike Casey: I am President of Local 2; we represent over 650 workers at the Airport. Just a few facts to begin ... San Francisco Airport had \$127,000,000 in sales in 2008 which averaged about \$658 per passenger. That is 30% above the average of other large hub airports. In 2007 SFO collected rent of just 9% of sales. The industry average however is 14%. If the Airport had collected comparable to the average you'd have \$5 million, as mentioned earlier, per year more. Compared with other large hub airports SFO generates 26% more in food and beverage sales but receives 12% less in rental revenue. The Airport costs are higher for airlines here, landing fees double those of Oakland and San Jose. Landing fees are 41% higher than the average 30 large airports in the nation.

Bringing these rents up would generate \$881,000 more in revenue if you just went to 14% of sales. If you went to the top quartile 16%, you'd have over \$1.3 million more. I've been witness to all kinds of meetings over recent months in which union folks and workers and supervisors and City officials, including the Mayor's Office have been struggling to figure out how to balance this years budget. In one of the biggest crises in this City's history we are talking about extending leases and continuing these sweetheart deals. With libraries struggling to maintain hours, with health care services being drastically cut back, cities and parks and kid's programs being cut, senior services being diminished, public transportation hitting a crisis why now are we talking about extending these leases? There is no good answer. This is about the future. We can't do anything about the fact that there were very business friendly deals negotiated at the outset. Perhaps that was a good idea, but what we can do is look forward and not make a mistake going forward. As the economy improves, travel increases and sales escalate how will you justify extending what clearly are sweetheart deals? I would urge you against extending these.

In concluding you can delay this, you can wait another year or two to see where the economy is and then make that decision. If these were the best hospitality jobs in the Bay Area I would say maybe there would be justification but I just want to remind everybody we are struggling in this Airport to even have hours in order to maintain healthcare. Workers in this Airport make approximately \$20,000 - \$25,000 a year ... not you know the wage in the Bay Area.

Finally, an unrelated matter ... I just want to mention that unfortunately an indication at the level of resistance to our union, again I want to stress this is unrelated to the no extension of leases. You are also going to hear two speakers addressing some incredibly anti-union behavior by one of the employers in the International Terminal where most of the operators are non-union. Recently two workers from Emporio Rulli were terminated. You are being handed right now a research document about the leases and about this Airport but I would also encourage you to listen to the speakers about the anti-union behavior in the International Terminal by Emporio Rulli.

Mr. Ari Quento: I was an employee of Emporio Rulli at San Francisco International Airport for 1-½ years as a barista. We always have many customers and we make a lot of money for the company, but there were things we want to change at Emporio Rulli. My manager was always changing my schedule and my day off so my hours were cut and after a year I had been asking to get health care. We have no sick days

and no holiday pay, there is no good system for counting our money or for counting our tips. So one day in April first I started talking with my co-worker about the benefits about a union. I was happy ... dreams come true to talk about a union where we can have power and a place where I can talk about my problems. With the union I would have someone to back me up. Some days a manager came to me and asked if I talked to the union. I felt that she was trying to intimidate me, so the next day my supervisor told me that the union would cut my 401K and my benefits. So I decided to join the union committee, I gave a letter to my supervisor and told her that I support the union and I am on the union's committee. Two days later I was fired.

Before joining the union committee I didn't know that Emporio Rulli was breaking the law. Now I know that Emporio Rulli broke the law by asking me about the union. They also broke the agreement to be a (?? unintelligible ??).

I am a good worker. I work hard. I get along with my co-workers and the operations director told me several times that they like my service because I always give a smile to the customer. I was friendly with the customer. I believe I was fired because I want the union. So my goal is for employees to be treated with respect and please tell Emporio Rulli to stop intimidating the employees.

Ms. Charlotte Pizzo: It is a pleasure to be here today and to speak to you. I work for an organization called Clue California which stands for Clergy and Laity United for Economic Justice. Often in these situations that have been described by Mr. Casey and also by Ari we hear about these things and we take some action to support the workers in their efforts to have a process that is fair and equitable to all people. I am joined today by two other members of the faith community, Reverend Christy Denim is here and also Sister Margaret Hoffman from the Sisters of Notre Dame, and of course there are many workers here today and thank you for having us.

Last Tuesday, excuse my voice I have allergy issues, last Tuesday on April 28<sup>th</sup> I and other clergy members plus the workers, we joined in a delegation to the Airport at San Francisco. As members of the faith community we became aware of some of the working situations that these people have and we became involved and wanted to speak to the management of a particular restaurant. It has been reported to us that this restaurant management has been interrogating employees who are organizing and asking about the organizing process and who is on the committee. In addition, they have been asking employees to report on the performance of fellow employees throughout the restaurant. The restaurant itself, the management is openly critical of the union. On the day of our delegation a restaurant employee joined us. It was her day off and she was the worker who spoke to the management person at the Airport on that day. The next day she received a disciplinary action which charged and said that if she were to continue participating in these actions that she was eligible for all kinds of disciplinary actions up to and including termination for participation in this delegation.

We find that these actions are contrary to Federal law and to the neutrality agreement that the restaurant signed in 1999. We ask that you support us and send our message to Gary Rulli that these actions are completely unacceptable. The paper that I have laid out here for you to receive, one is the letter that we presented to Mr. Gary Rulli from the clergy and the second piece of paper has to do with the disciplinary action

threatened against the worker. We need your help, we need your assistance. These people are being treated in a way that is totally incompatible with the faith community and the morality that surrounds people who work. Thank you.

Ms. Avery McGinn, owner, Klein's Deli which operates at SFO. I am also with a group called the Airport Restaurant Employers Council which represents the Domestic Terminal concessionaires and negotiations with Local 2. I am here in support of the two year lease extension and to answer the question why now which was asked and to also answer the question about what the Airport is getting in return for extending these leases. Why now is because we were in very difficult negotiations for over a year with Local 2 essentially doing negotiations. Host was negotiating for 10% of the operations and we were negotiating as a group for the other 90%. We wanted to negotiate together, that didn't happen. Host came to terms that were different than the terms that we were trying to come to. It was a very costly contract. Our health payments went from \$2.26 to what will be \$6.26 an hour next summer, which is an increase of \$4.00 an hour. Our cost went up from about 33% to those of us who had been at the Airport previously like myself and were under the old Host agreement, to 40% to the newer operators. It was an extremely costly contract and it came out of left field because of the dueling negotiations. It was a difficult time and Mr. Martin approached us and wanted a settlement to happen for obvious reasons. The Airport didn't want a strike. Really nobody wanted a strike. After Host agreed Mr. Martin talked with us about a lease extension because he realized that the costs were very large and that having more time would help to recover these costs over time. That was a very important piece for our decision making about signing and me too to the Host negotiated contract which we ultimately did.

We are good operators. San Francisco Airport, as I believe you know, is number one in the country among passengers for the Food and Beverage Program as well as number one in sales. There is a reason that the airport in San Francisco is number one in sales. It is because of the local operators that you put into the Airport. We are good operators and we are successful and we want to continue to do what we are doing. I find it mysterious that the union is arguing to make us pay higher rent. I don't understand how that benefits their membership. I believe there is another agenda; I don't quite get what it is, but it doesn't sound like it is in support of their members or our employees.

Commissioner Mazzola stated I don't have any other requests for speakers so this item won't be before us for two weeks, but we thank you for your testimony and thank you very much for coming. Thank you for your time. I appreciate it.

Commissioner Mazzola said that there are no other speakers. This item will be before the Commission in two weeks. He thanked the speakers for their testimony.

Commissioner Mazzola congratulated Commissioner Caryl Ito for being honored tonight by KQED as being the Local Hero Award recipient. She is also my hero.

Commissioner Crayton said she is also my hero.

\* \* \*



I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:03 A.M.

  
Jean Caramatti  
Commission Secretary





We, the undersigned food service employees in the Domestic Terminals, oppose lease extensions for our employers. We do not believe that these extensions are warranted at this time. These leases don't expire for another five years. There is no reason to extend them now, especially during these trying economic times.



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Nosotros, los abajo firmantes trabajadores de servicio de comida en los Terminales Nacionales, nos oponemos a la prolongación de los contratos de arrendamiento de nuestros empleadores. No creemos que sea necesario su prolongación en este momento. Los contratos de arrendamiento aun tienen cinco años más de vigencia. No tiene caso prolongarlos ahora, especialmente en estos momentos de dificultad económica.

Name 姓名 Nombre	Workplace 工作地點 Lugar de Trabajo	Years Working at SFO 在三藩市機場工作多少年 Años de Trabajar en SFO
LOIDA GONZALEZ	Pets Coffee M222	11 yrs.
Maria Polaris	Pets Coffee 222	1 yr.
NAPOLEON MOSE	SOUP & SALAD STATION BURGER KING GATE 24	9 yrs
MARIA G. TORRES	LI	11 YEARS
Abdul Samir	Yankee Deli	1 yr.
Jessica Gayongor	Pets Coffee + Tea	8 yrs.
Matthew Herbert	Pets Coffee + Tea	1 year
Maria Fe Rangel	Soup & Salad	16 years
Latissa Maniga	Subway	2 years
Xenice Pakenil	Subway	3 years
Valerie Lara	Pets coffee + tea	1 year
Karen Lee	Perry's	3 years

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Nirmala Singh	Guava + Java	12 yrs
Ravir Vatanadhyal	Guava Java	7 yrs.
Isaacwa	"	10 yrs
Julio Santos	Perry's	2-12
Paul UD	Perry's	20 yrs
Kishan Narasimh	Perry's	11 yrs
Vikram Chandra	Perry's	15 yrs.
SANDY Wong	Perry's	18 yrs
Ashley Singh	Perry's	1 year
P. G. Bivolar	Guava Java	3 years
EDWARD SHIA	FIREWID CFE SERIES 2	1 year 6 months
Jesse Johnson	HHS / Host	26 years

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Name 姓名 Nombre	Workplace 工作地點 Lugar de Trabajo	Years Working at SFO 在三藩市機場工作多少年 Años de Trabajar en SFO
Molly Jones	GB	29 yrs
Kathy Child	GB	29 yrs
Jane Lee	GB	3 yrs
George Cheng	GB	4 yrs
Jane Rodriguez	GB	33 yrs
Argie Hall	GB	9 yrs
Layne Chin	GB	28 yrs
Jerry Tabor	GB	32 yrs
Fernando Perez	GB	9 yrs
John Chan	GB	1 yrs
Edy N. Sankar	GB	30 yrs
Edy N. Sankar	GB	14 yrs

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<u>Eusebio Marfil</u>	<u>S.F. Soup Comp.</u>	<u>4 yrs 6 mos</u>
<u>Sony Hernandez</u>	<u>S.F. Soup Comp</u>	<u>4 yrs + 6 mos</u>
<u>Hesshond Simeon</u>	<u>S.F. Soup Co.</u>	<u>4 yrs. 6 mos</u>
<u>(GARCIA) ACOSTA</u>	<u>S.F. SOUP CO.</u>	<u>4 YRS. 6 mos</u>
<u>CIPRIANO MARFIL</u>	<u>SF SOUP CO.</u>	<u>3 YRS.</u>
<u>LILISA Y SANTIAGO</u>	<u>SF SOUP CO.</u>	<u>4 yrs.</u>
<u>PERLITA D. GARCIA</u>	<u>SF SOUP CO.</u>	<u>2 yrs</u>
<u>GILBERTO GARCIA</u>	<u>S.F. SOUP CO.</u>	<u>1 1/2 yrs.</u>
<u>IRMA LARREA</u>	<u>SF SOUP CO.</u>	<u>3 yrs.</u>
<u>Tencita Tuscano</u>	<u>SF SOUP CO.</u>	<u>4 yrs + 6 mos</u>
<u>George</u>	<u>SF SOUP CO.</u>	<u>4 yrs.</u>
<u>RIP GARCIA</u>	<u>SF SOUP CO.</u>	<u>10 yrs.</u>



**LOCAL**

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[illegible]

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Vina Martinez	Perry's	3 yrs.
Lilian Barcenas	Perry's	2 1/2 years
Saulo Porillo	Perry's	1 1/2
Julio Delgado	Perry's	2 yrs.
Elizabeth Cisi	Perry's	20 yrs 5 yrs
Estelita Cruz	SF Soup Co.	4 1/2 years
ROMEO GELUZ	SF SOUP CO.	



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ALELI MEMBRENO	JUST DESSERTS	15 YEARS
Bernardo Madalla	Yankee Pier	14 years
Ronald Tol	Yankee Pier	27
ADOLFO CHAVEZ	YANKEE PIER	23 YEARS
...	Yankee Pier	7 years
...	Yankee Pier	22 years
...	Yankee Pier	12 years
Wendy Dement	West H. D. X.P	3 years
DAI MASUMI	Y.P.	17 Year
Celia Pastors	Y.P.	10 Years
Helen Sui	Y.P.	20 years

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Dan Torres	Yankee Pier	1 1/2
Franklin Ortega	Yankee Pier	20 yrs
Warrigal Demard	Yankee Pier	2 1/2 yrs
DEE-LEPID	YANKEE PIER	10 yrs
Della Lim	Yankee Pier	10 yrs
Jose Guerra	Yankee Pier	2 years
CESAR CORDOBA	YANKEE PIER	6 months
CARLO AMILLYNA	YANKEE PIER	13 years
LIZY ZHANG	Yankee Pier	11 years
JOSE LOPEZ	YANKEE PIER	17 yrs
Madalia Puentes	Yankee Pier	3 yrs
FRANKLIN	Yankee Pier	10 yrs

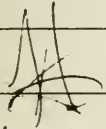
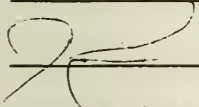
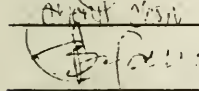


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 Isenette Hernandez	Peets Coffee & Tea	3 yrs
Dominador Arce	Anchor Steam	16 years
Emmanuel Allen	Anchor Steam	25 yrs
CHARLES SMITH	ANCHOR STEAM	25 yrs
 (unintelligible)	ANCHOR STEAM	15 yrs
 (unintelligible)	ANCHOR STEAM	3 yrs
FELIX L. FLEPPER	Peet's Coffee	4 yrs
Charles Tio	Anchor Steam Host	7 yrs
LILY CANNON	" "	30 "
CHERRY WIN	Anchor Steam	6 yrs
EDILYN AVECILLA	PEETS COFFEE & TEA	1 yrs

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EDWIN RASCO	LORIS DINER T-1	12 YEARS
ELIZABETH GILIEVARA	LORIS DINER T-1	8 MONTHS
Kamiorz June	Loris Diner T-1	16 MONTHS
ALVIN / CLETA	LORIS DINER T-1	11 YEARS
Coltrichitz Anupore	LORIS Diner -	12 years
Jennifer Vazquez	Loris Diner T-1	9 years
Ma. Carina Vasquez	Loris Diner T-ONE	14 Years
R. J. P. R. R.	NY CAFE T-1	20 yrs
Marylyn Piel	NY CAFE	21 yrs
BERTIN	NY CAFE	27 yrs
JOSE C. R. T. A.	NY CAFE	18 yrs
Saul Ortiz	LORIS	4 yrs



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Jose Lougas	Legends of San Francisco	18 yrs
Van Aorequi	Legends of San Francisco	6 years
Sanchez Limile	Legends of San Francisco	20 yrs
Carla Heringer	Peet's Coffee	4 yrs
WILFREDO GARCIA	PEETS	3 yrs
Lawrence	Klem's Deli	3 yrs
Cathy	"	4 yrs
B. W. Huang	T.C.I.	6 yrs
Xiao Hui Le	Xiao Hui Le	2 yrs
A. SWESTER	Art	9 yrs
Tomás Banta	willow creek	2 yrs
ANA MARIE T. DELA	Cyprus	14 yrs



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HUY DANG	SUBWAY	2 years
Melinda Cohen	Subway	1 1/2 yrs
V. A. Cohen	Subway	1 1/2 yrs
Ma'AFIREZ E.	Shop	4 1/2 / yrs
Theresa Rijano	Furnwood	5 Yrs
CHAO JIE ZHOU	Chao Jie Zhou Just Desserts	1 year
THOMAS PHILLIPS	Furnwood	2 1/2 yrs
PHILIP PHILLIPS	Furnwood	19 yrs
Kyle Anderson	W	8 months
Aimee Jones	Rock Coffee	4 yrs

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KONG, YAN SUN	HMS HOST & GO BISTRO	7 YEARS
Gabriela Htse	Globistro Cyprus Route	16 years
JOHN CHRISTOPHER T. FONTANA	GLOBISTRO & BURGER KING	4 years
Isagani Cragno	Globistro	3 year
dasanda Cragno	SSB American	15 yrs.
AMINIA Sofia MIAHRA	GLOBISTRO	5 years
...	...	...
...	...	...
...	...	...
Ria R. Geluz	SF Soup Co	1 yr.
Perly Orop	Emporio Puli	8 yrs
Yolanda Ade	...	27 years

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ANDREW FERRER	Subway	3
HUY DANG	SUBWAY	2 years
Michael Cohen	Subway	4 1/2
Valerie	Subway	1 1/2
Ma'AFIREZ E.	Sub	4 1/2 / yr
Theresa Rigano	Finnwood	5 yrs
CHAO JUE ZHOU	Chao Jue Zhou Just Desserts	1 YEARS
Michael	Finnwood	2 1/2
FRANCISCO RAMIREZ	IGLE	19 yrs
Michael	Subway	18 yrs
Michael Anderson	Sub	8 months
Angela Ingram	Peet's Coffee	4 yrs



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KONG, YAN SUN	HMS HOST & GLOBISTRO	7 YEARS
Gabriela Huse	Globistro Express Pull.	16 years
JOHN CHRISTOPHER T. FONTANA	GLOBAL GLOBISTRO & BURGER KING	4 years
Isagani Crago	Globistro	3 year
dansana pull-	SF American	25 yrs.
LAMAR GARY ALVARO	Globe Pull	8 years
ALVARO	PULL	11 yrs.
ALVARO	PULL	11 yrs.
ALVARO	PULL	11 yrs.
Ria R. Gehuz	SF soup Co	1yr.
Perky Oap	Empiris Pull	8 yrs.
Maria Ad	13	27 years



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LIU GUO XUAN	JUST DESSERT	EIGHT YEARS
REGINA Oseguera	Just Dessert	15 years
BETO PO YUK	JUST DESSERT	TEN YEARS
YUAN YU MA	JUST DESSERTS	10 YEAR
LETECIA GALLES	Just DESSERT	4 YEAR
He, Jingyi	Just Dessert	2 years
Norsa Ng	Just Dessert	9 1/2 years
Xin Xin mo	" " "	12 years
ERICA HU	Just Dessert	14 - YEAR
LAI HAR MONG	Just Dessert	1 year
FENNY CHU	" "	10 year
Hosana Sui	" "	8 years

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Catalina Santiago	Guava Java	12 yrs
HA, TUE TINH	Guava Java	1 1/2 yrs
Ramon Arevalo	-	2 1/2 years
Marjuri Meraz	"	1 year
Mija Nyeini	Guava Java	2 years
P. J. H. H. H.	"	1 yr.
CONSTANCIO CRISTINA	GUAVA + JAVA	4 YEARS
ERLINDA GAN	GUAVA AND JAVA	ALMOST 4 YEARS
Lily Loi	HMS Host	10 years
HENRY SHIA	REXOVID HT	4 years
Edmund Alvarez	Foreword Cafe	1 yr.
STEPHAN YU	B.V.	26 yrs

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LUNISA Y. SANTIAGO	JALAPENO GRILL	10 years
Catalina Correa	B King	14 years
Gladis Equizabal	Jalapeno Grill	3 años
Henny Conde	Jalapeno Grill	3 years
Verone San Juan	HMSHOST	1 1/2 yrs.
JESUS G. SALDIVAR	MIS HOST DUESNIGHT	1 yr & 2 mos
Tim P. Pitt	Host	15 yrs
San L. Llan	Comes	6 yrs
John Puellos	Loris	1 year
Enrique Diaz	Loris Diner	4 years
Carla Jim	John Diner	5 years

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Daisy Wong	Tomokazu	10 years
Ami Liu	Tomokazu	2 years
Yue Chan Wai	Tomokazu	4 years
MAY T KHINE	TOMOKAZU	4 years
Clara Yip	Tomokazu	6 months
Grace Gong	Tomokazu	2 years
Victor Lin	Tomokazu	2 years
James Hsiao	Tomokazu	2 years
Kevin Suen	Tomokazu	4 years
Kathy Hsiao	Tomokazu	2 years
Kari Sun (Lau)	Tomokazu	2 years



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IRENE LO	peet's coffee	15 years
KIM WITA NGAN	SANKAKU	4 years
Elizabeth JES	AMAR	4 Years
Enrique	Gonzalez	3 Years
Veronica	Loris Dinner	1 1/2 years
Jaime	Andale. Laminat	4 years
Juan - Amaya	Andale. taqueria	3
Andale. Laminat	Loris Dinner	1 1/2 year.
TIFLOAI KONG	COKE Dinner	20 years.
KIM WITA NGAN	SANKAKU	4 years
Heli Membrillo	Just Desserts	15 years
EMIEL ANCSI	FIREWELL CAFE	3 YEARS



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<u>MARKET, JEFF</u>	<u>partida</u>	<u>10 yrs</u>
<u>CRUCINEROS MARSW</u>	<u>G</u>	<u>Ranger</u>
<u>MICHAEL MAWALANG</u>	<u>mahe au s megill</u>	<u>CASH IETR</u>
<u>JOYCE L. K. L.</u>	<u>JOYCE L. K. L.</u>	<u>3 yrs</u>
<u>CHADYS JG</u>	<u>Go BISTRO</u>	<u>5 yrs</u>
<u>MIGUEL GONZALEZ</u>	<u>Le May of SITE</u>	<u>10 years</u>
<u>EDILBERTO ALLO</u>	<u>H.M.S. MAYS HATS</u>	<u>30 yrs</u>
<u>LADA IVAN</u>	<u>T.G.I.F</u>	<u>5 yrs</u>
<u>Rosa M. Palacios</u>	<u>Burgerting Salapero Grill</u>	<u>4 yrs</u>
<u>OSO Hernandez</u>	<u>Willow Creek Grill</u>	<u>4 years</u>
<u>ROGER TRINIDAD</u>	<u>5010 DA B</u>	<u>10 yrs</u>

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Debra A. Martinez	China	COOK
MARTHA ALAICA	China	COOK
NEEL VIKAR	China	COOK
John Kim	China	CASHIER
Manuel R. Pili	China	CASHIER
David Elkan	China	CASHIER
Handover Ahmed	China	CASHIER
Daisy Kelle	China	CASHIER
JENNIFER SIGUA	China	CASHIER
April YUAN	China	CASHIER
MA-MYA THIN	China	CASHIER
JENNIFER YAMAGUCHI	China	CASHIER

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BABINO	MISSION BAR	15
MAURICIO	MISSION BAR	20 years
MAURICIO	MISSION BAR	20 years
MAURICIO	MISSION BAR	20 years
MAURICIO	MISSION BAR	20 years
MAURICIO	MISSION BAR	20 years
CYRIL GELUZ	BOUDIN	5 YRS
ERIC ABALON	BOUDIN	2 YRS
Estelita Quach	Solo Company & Boudin	almost 5 yrs
Amalia Brenze	GI FRIDAY'S	20 years
José L Guerra	Mission Bar & Grill	6 years
MERCEDES GARCIA	Mission Bar & Grill	8 years

**LOCAL**

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[illegible]



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Name 姓名 Nombre	Workplace 工作地點 Lugar de Trabajo	Years Working at SFO 在三藩市機場工作多少年 Años de Trabajar en SFO
Ernesto, C. H. G.	Burger King	10 yrs
Isabel C. H. G.	Burger King	7 yrs
Ramón C. H. G.	Burger King	5 months
Maria S. H. G.	Burger King	4 yrs
Guillermo Villa	Burger King	9 años
John H. H. G.	Burger King	11 yrs
John H. H. G.	Burger King	11 yrs
Guillermo Pérez	Burger King	6 yrs
Agnes Tormenta	Burger King	9 yrs
Adela Payumo	Gotham - Pecks	10 yrs
AIDA S. H. G.	Subway	3 yrs
Misra Mulatu	Gave Java	11 years



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Christian Williamson	Mission Bar & Grill	4 years
Louie Galan	mission Bar & grill	11 yrs.
TERN ANCHETA	MISSION BAR & GRILL	10 years
James Lopez	MISSION BAR & GRILL	5 yrs
Melina Ramirez	MISSION BAR & grill	19 yrs 19
Frederick Campbell	MISSION BAR & GRILL	28 years
RYAN CARPINO	MISSION BAR & GRILL	4 YEARS
WILLIAM HARRING		
William Harrington	Mission Bar	2 years
ANITA CHAVG	MISSION BAR & GRILL	8 years

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<i>[Signature]</i>	<i>Mission Bar &amp; Grill</i>	<i>9 yrs</i>
<i>[Signature]</i>	<i>Mission Bar &amp; Grill</i>	<i>10 yrs</i>
WILLIAM D.J.	MISSION BAR & GRILL	12 YEARS
<i>[Signature]</i>	<i>Mission Bar &amp; Grill</i>	<i>1 1/2 yrs</i>
JASSY ORTEGA BOCA	Mission Bar & Grill	18 yrs.
ISRAEL	MISSION BAR & GRILL	12 yrs
<i>[Signature]</i>	<i>Mission Bar &amp; Grill</i>	<i>1 year</i>
ARMANDO GARCIA	MISSION BAR	9 yrs.
<i>[Signature]</i>	<i>Mission</i>	<i>10 yrs</i>
<i>[Signature]</i>	Mission bar & Grill	10 years
KEVIN BROWNE	Mission bar & Grill	2 years
Julia Nemet	Mission Bar & Grill	1 year

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1) <sup>240VE #</sup> Dennis San Juan (650) 240-5992	UNITED RED CARPET	1 yr.
2) LILY CHIN	UNITED RED CARPET	7 years
3) Hui Wai Che, She Mah	UNITED RED CARPET	4 years
4) FLORES F.	RED CARPET ROOM	5 years
5) FLORES	RED CARPET	9 years
6) Chhitakel	Red Carpet	20 years
7) Rita Escobar	Red Carpet	12 years
8) Kimmy Gung	Red Carpet	10 years
9) Sandie Elliott	Red Carpet	25 years
10) Peter W. Landry	Host - Sodexo Red Carpet	9 years
11) Kharegn	Red Carpet	2 years
12) LINDI DI	Red Carp	5 years

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Ranita Francisco	Red Carpet	1 year
Maung Aung	Red carpet	3 yrs
CHAI KING KWAN	Red Carpet	4 yrs
Roy Kichik	Red Carpet	1 yr
Madeline Lopez	Red Carpet	11 yrs
C. PC	RED CARPET	2.5 years
Len Fung	Red Carpet	30 years
	Red Carpet	10 yrs
FELIX LINO ARROYO	" "	9 yrs
CHAI HUI KUAN	" "	9
Felemon Huan	" "	4 yrs
Aung Huan	Red Carpet	3 yrs



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AMADIO GONDO, MAXS GREEK	MAXS GREEK	25 YRS
Nice YOUNG	max's Greek	15 years
THOMAS BERNARD P.V	MAXS GREEK	30 YEARS
Urie Simon	MAXS GREEK	15 years
Kan Papa	MAXS GREEK	15 yrs
Maye	max's Greek	15 years
Francisco Hidalgo	Buena Vista	20
ARCELIA BEAMER	BUENA VISTA	27
STELLA LIU	MAXS GREEK	20
Ed. Rios	Buena Vista	28
Lamona Aguilar	MAXS GREEK	13 yrs
Hilary A. FUE	max's greek	12 yrs



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Kitty Li	Go Bistro SFO.	9 years
Carroll E. [unclear]	Go Bistro	11 years
HAO A MA	Go Bistro	2 years
Tony Quares	Go Bistro	22 yrs
Helene [unclear]	Go Bistro	1.5 yrs
Michael [unclear]	Go Bistro	
Nimra Villalobos	Go Bistro	5 yrs.
NOEL DE GUZMAN	GO BISTRO	1 yr.
Jonathan Costaneda	Go bistro	1 yr.
Binh Mach	Go Bistro	18 YRS.
Sorahin [unclear]	Go Bistro	10 years
Kim [unclear]	Go bistro	7 years

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Teodilo Lopez	WILLOW CREEK	4 years
Gladys Fernandez	WILLOW CREEK	9 years
Lourdes Villa	willow creek	1 year
Valene Lara	PEETS coffee & tea	3 months
TAMM TRUONG	Anchor	2 years
ELIAS Hernandez	Anchor	12 years
ANDY ABRAMOVI	ANCHOR STEAM	13 years
Derek Glotman	Anchor S	13 years
McConelvin Arcaga	Anchor Steam	14 years
Kevin Phang	Anchor	4 years
Marina Guerrero	willow creek	3 1/2
Laura Godonella Lopez	willow creek	8 years

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ERIC VINH TRAN	SANKAKU	4 YEARS
SI THU SAW	SANKAKU	2 1/2 YEARS
LEN M. SWE	SANKAKU	3 1/2 YEARS
PHU PHU AUNG	SANKAKU	2 years
Phu Lee	SANKAKU	19 years
Phu Lee	Sankaku	19 years
K. L. L. L.	12th floor	7 years
PHU ALDERON	12th floor	12 years
Barton W. W. W.	12th floor	9 years
Sol Tan Sam	<del>12th floor</del> Firewood	9 months
Ning Ho	12th floor	3 years
M. J. VALENTINE	12th floor	5 years

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Rebecca Ho	Peet's Coffee & Tea	4 years
ERIC MARCISO	ANCHOR	10 years
MARVIN BROWNLEE	ANCHOR	10 year.
Estela Dela-gan	Anchor	14 years
Thy Mai	Peet's Coffee & Tea	1 year
RAUL PACHECO ROY	Peet's Coffee	5 yrs
Li Ping Chen	Peet's Coffee	1 year
ANTONIO ROMO	ANCHOR	1 year
Sau King Eva Tin	Anchor / HMS HOST	1 year
David Yip	Willow	1 year
Douglas Andrade	Willow	1 year
Michael T. ...	Willow	2 years



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Wilver B. Govea	Andale T3	4 Años
<del>Jose</del> Sostriva	Andale T3	4 Años
Jose W. Rodriguez	Andale T3	2 Años
ANTONIA Hernandez	Andale T3	3 1/2 Años
Juan C. Valdez	Andale T3	4 Años
Carole	Narvaez Andale	3 Años
Ruben Gomez	Andale T3	2 years
JAVIER NUNEZ	Andale T3	1. 8 Años 8 MESES
Emmy alberto	Andale T-3	1 año
Servicio Pylife	Andale T.3	2 Años
Andrea Cardo	Andale T-3	2 years



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Joann Cacklano	Willow Creek T1	2 años
Pose G. Alonzo	Willow Creek T1	3 años
Luis E. Sanchez	Willow Creek T1	3 años
ANGEL GONZALEZ	WILLOW CREEK T1	3 años
José B. Guadalupe	Willow Creek T1	10 años
Julia M. Khan	Willow Creek T1	17 años
Wilber B. Cruz	Willow	3 años
Verónica Pérez	Willow Creek T1	1 año
Sandra Cárdena	Willow Creek T1	1 año
Mario Pizarro	Willow Creek T1	6 años
AM. [Signature]	Willow Creek T1	3 años

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José Delacruz	MISSION Bar & Grill	2 years
x Maria Jose	MISSION Bar & Grill	16 years
LAM WING L	Firewood II	7 years
JOSEPH MACATUM	FIREWOOD III	3 years
Elizabeth Miller	Firewood III	1 year
Michael V. Perez	Firewood II	10 yrs.
Arthur K.	Firewood	4 1/2 yrs.
Frank R. Kan	Firewood III	1 yrs.
Lily Lee	LORI'S	1 YEAR
Diana Viscarra	Subway	4 YEAR.
Randa Riji	Market Inn	1 year

Mr. Gary Rulli  
CFO- Emporio Rulli  
464 Magnolia Ave.  
Larkspur, CA 94939

April 28, 2009

Dear Mr. Rulli,

As representatives of the religious community, and Clergy United for Economic Justice (CLUE), we believe that all employees should be treated with justice and that all agreements are honored.

As you know, several of your employees at the international airport have started the process of forming a union. We expected that your management team would follow federal law and the provisions of the neutrality agreement that you signed with the union in 1999.

Federal law prohibits interrogation of employees regarding their opinion about the union or about any union organizing activities. Any discrimination or retaliation against employees because of their union activity is also illegal. Anti-union comments by management violate the Neutrality Agreement you signed. The MOU between Emporio Rulli and UNITE HERE states that "The Employer will take a positive approach to unionization of Employees. The Employer will not do any action nor make any statement that will directly or indirectly state or imply any opposition by the Employer to the selection by such employees of a collective bargaining agent or preference for or opposition to any particular union as a bargaining agent."

Over the course of the past several weeks, there have been several violations of this neutrality agreement and of federal labor law, including the following:

- Employees have been interrogated by management about their union support and whether they talked with union organizers.
- Employees have been interrogated about the work performance of known union supporters.
- A Union Committee Member was retaliated against through schedule and location changes.
- Management has made anti-union comments including telling employees they will lose benefits if they join a union.
- Management unfairly fired two union supporters, one of whom was fired just two days after he told his manager that he supported the union.

The actions against employees at your restaurant are neither just nor do they honor the Neutrality Agreement which you signed. As concerned community members we respectfully request that you and your management team follow federal labor law and the neutrality agreement between Emporio Rulli and the union. We ask that you stop any interrogations of union activity, retaliation of union committee members, and unfair firings of employees who support the union. We ask that you immediately return Federico Murillo and Arinato Quente back to work.

Please call me at 650-583-5622 at your earliest convenience to discuss your response to our request.

Sincerely,



The Rev. Dr. Gabriele Schroeder  
Our Redeemer's Lutheran Church, So. San Francisco



Date: 4/30/09

Employee: Cristina Corzo \_\_\_\_\_ Location: \_\_\_\_\_ Int'l \_\_\_\_\_

Position: Cashier/Barista

copy

The purpose of this counseling is to notify an employee of an infraction of company policy or deficiencies in an employee's behavior or work habits.

Course of action shall follow the discipline section of the employee handbook.  
This counseling will remain in the employee's personal folder.

Incident / Occurrence: On Tuesday, 4/28/09 about 12:26pm Cristina participated in an unpermitted rally of some type with a group called CLUE with almost twenty other people and surrounded and harassed one of our shift leaders near the G Kiosk. They did not stop yelling, shooting questions and chanting when Nink told them she was not a management staff member. She was not allowed to leave the center of the circle of people for from 5-7 minutes and could not do her shift change duties on time. This staff member was very afraid and other staff have remarked that they are afraid they may be targeted like this as well. It also disrupted business.

This action is considered harassment and creating a hostile work environment and will not be tolerated. Article XIII It is also a Violation of off duty conduct rule - see Emporio Rulli work rules, last page. See attached signature on Acknowledgement of receipt of Emporio Rulli work rules.

It is known that Cristina is participating in unionizing the international and that she has every right to do so, however, she needs to follow airport protocol and ensure any large group she is participating with has a valid permit to gather in such a manner. However harassing our staff will not be tolerated in any form.

Course of Action needed to correct: Immediately cease and desist from such illegal activity and consult with an actual Local 2 rep who can explain to you what is considered by the airport and the union valid and legal demonstration so you are not involved in any further illegal activity. Groups flyering etc without the Local 2 logo or permitting will not be recognized as actual union activity and will be treated as such.

Time needed to correct: Immediately

Consequences if not corrected within said time: Because you are a valued Emporio Rulli employee and generally represent the company well, we will take no further action at this time. However, if any further such illegal action is taken it will result in immediate suspension and possible termination. Our attorney has been consulted on this matter and California law must be abided by in any demonstration against the company or legal action will be taken.

Management Signature

*Laura Doyle*

Employee Signature

*Cristina Corzo*

Witness Signature

*[Signature]*

*Cristina didn't know what was on the paper from Mr. Rulli. She was under the impression it was signed by local 2 & other people than were airport employees union.*



# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**May 22, 2009  
Special Meeting**

**9:00 A.M.**

**100 Grove Street, Room 300  
Department of Public Health  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA  
President**

**LINDA S. CRAYTON  
Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN  
Airport Director**

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SAN FRANCISCO, CALIFORNIA 94128**



Minutes of the Airport Commission Special Meeting of  
May 22, 2009

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# AIRPORT COMMISSION SPECIAL MEETING MINUTES

May 22, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 300, Department of Public Health, 101 Grove Street, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheim

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 22, 2009 were adopted unanimously.

No. 09-0104

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

### 1. Retirement Resolution - Cesar Sanchez

No. 09-0105	Resolution thanking Mr. Cesar Sanchez for his 32 years of faithful service at San Francisco International Airport and wishing him well in his retirement.
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Mr. John Martin, Airport Director said that Cesar is retiring after 32 years of work for the City ... all 32 years at the Airport. He started as a senior accountant and was relatively quickly promoted to become head accountant and for the last few years has been in charge of the Accounting Unit as the accounting manager. He has always created a very positive workplace environment for his employees and he has been a mentor for many, many employees over the years, teaching them how the City's financial systems worked. Cesar was a mentor for him when he began at the Airport 28 years ago, and probably well over 50 employees in the



Finance area have been trained by Cesar in how the systems work. He has also led the creation of several financial reporting systems over the years that have been very important to the Airport's operation. We will certainly miss Cesar and his great contributions to the Airport. Thank you Cesar.

Mr. Cesar Sanchez, Accountant Manager thanked the Commission, John and Leo for all of the support they have given him all of these years. Whatever success he may have achieved at the Airport wouldn't have been possible without their support. Thank you and good luck to everyone.

Commissioner Mazzola thanked Mr. Sanchez for his service and congratulated him on his retirement.

\* \* \*

#### E. PUBLIC HEARING:

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

#### 2. Amendments to Airport's Rules and Regulations - Temporary Ground Transportation Vehicle Identification Plates

No. 09-0106

Public hearing for comments on proposed amendments to Sections 1.4.7(A)(3) and Appendix C of the Airport's Rules and Regulations and adoption of the proposed amendments.

Mr. Tryg McCoy, Deputy Airport Director, Operations and Security said that he is seeking approval to conduct a Public Hearing on proposed amendments to Sections 1.4.7(a)(3) Appendix C of the Airport's Rules and Regulations and then after any public comments adopt the proposed two following amendments:

This proposal would not be before the Commission if all of the Airport's ground transportation operators acted in good faith and complied with existing regulations. Unfortunately, this has not been our experience. Certain ground transportation operators, primarily limousine drivers, have repeatedly removed their State of California vehicle license plates in the rear of their vehicles. These drivers then apply with the State for temporary plates in an effort to evade citations and parking garage charges by making it difficult for Landside Operations personnel and the San Francisco Police Department to identify their vehicles. As a result, the Airport and law enforcement personnel have on occasion been unable to properly cite vehicles violating the terms of their permit or the California Vehicle Code.

To resolve this problem, during the interim period, we are proposing the implementation of a new program which will create a temporary identification plate (TIP) that would be applied to the back of vehicles that don't have their proper California license plate installed.

The TIP is a plastic coded temporary plate that will be placed within the rear license plate area. It would have a code on it that the Airport would issue that identifies to the Airport and to law enforcement who the operator of that vehicle is. If approved, this plate and this procedure would be incorporated into the Airport's Rules and Regulations.

At the May 5 Airport Commission meeting a fee for obtaining this TIP was approved in the Airport's Rates and Charges, and that is a rate of \$45.00 for each 90-day period. The program, as we envision it, would not charge those people that purchase a new vehicle and apply for a California license plate. There is up to a 90 day wait period to receive the license plate from the State. During that time they would go to the Ground Transportation Unit, register their vehicle and be issued a TIP for free ... so we can easily identify the vehicle. There will be a charge of \$45.00 every time someone says they either lost their plate or something happened and they don't have a plate. The regulation would require them to come to the Ground Transportation Unit and receive this plate so that we can identify their vehicle.

In order to enforce this requirement, Appendix C of the Fine Schedule of the Airport's Rules and Regulations is proposed to include a \$150 fine for violation of not having either the State license plate or the TIP installed on the back of the vehicle while serving as a ground transportation operator on Airport property.

He requested the Commission hold this public hearing for comment on these proposed amendments to the Rules and Regulations. Specifically, after that public comment period, if there are any speakers, to approve the resolution that accomplishes two actions.

1. Modify Rule 1.4.7(a)(3) by adding a sentence that says: "Each vehicle operated by a permittee shall be operated with either a valid State or commercial vehicle license plate, or an Airport-issued Temporary Identification Plate (TIP), until such time that the vehicle has a valid State or commercial vehicle license plate which is on file with the Airport."
- 2) Enact a new violation for the existing Airport Rules and Regulations Fine Schedule of \$150 for permitted ground transportation operators who access the Airport without either a valid license plate or an Airport issued temporary license plate.

It is primarily a practice that we find that illegal limousine operators are following and we are very actively pursuing and citing and taking action with illegal limousine operators. Part of one of their ways that they try to get around this is not have a license plate on the vehicle, so when they pull up on the curb and try to solicit customers and up walks either a member of the Airport's Operations staff or someone from the Police Department Ground Transportation Unit they will see them coming and speed off and we don't know who it was. This plate will have big enough numbers where we can see who it was and then take corrective action. Commissioner Ito said that limousines without license plates is an infraction of general motor vehicle laws. Are you saying that it is hard to track those particular limo drivers?

Mr. McCoy responded that it is. If you lose your license plate or apply for a new one you get a little sticker that goes in your front windshield so we can't see it as we approach a vehicle from behind.

Mr. McCoy explained that the target for this group is our limousine operators that are gaming the system by removing the plate. We know who they are and by having this regulation we can now have another thing to cite them for immediately if we see a limousine that doesn't have a license plate or our identification plate, we now have something we can cite them for. Another issue that will be helped by this is that limousines park in the garage and upon exiting there is a match between your ticket and your license plate. There is a picture in and picture out and they can beat the system without having the license plate in the back.

Commissioner Crayton asked if other airports were having similar problems, or is what we will put into practice completely generic to the San Francisco Airport.

Mr. McCoy responded yes. We know this is a problem in other airports, however, we are likely the first airport to propose something like this. We are being very aggressive in our enforcement of Airport rules and regulations and State laws about how a limousine has to operate. He does not know what goes on around the nation but he knows that Oakland and San Jose are experiencing similar problems.

Commissioner Ito asked if the \$45.00 fee will cover our costs for the TIP.

Mr. McCoy responded that it will.

Commissioner Ito asked if this is an additional monitoring responsibility for our curbside contract in terms of looking for these TIPs.

Mr. McCoy responded not so much for the curbside contractor. Limousines pretty much have to operate on a prearranged basis so the curbside coordinator is not a part of this enforcement operation. The TIP would be issued at our Ground Transportation Unit where we do all the permitting. This will help us with the Police Department that patrols the curb and the Landside Operations staff that also patrols the curb.

Commissioner Johns asked, since limos operate on a prearranged basis, do they have to register with the Airport before they begin to operate.

Mr. McCoy responded that every limousine operator has to be registered at the Airport. We have over 13,000 separate entities registered as limousine operators.

Commissioner Johns asked if when they register with the Airport we don't issue them some sort of permit similar to this temporary permit?

Mr. McCoy responded that a permit is issued in the form of a decal that is applied to vehicle and is renewed every year. The vast majority of the time the license plate is on the vehicle and we issue this decal that goes alongside the State's TCP number ... however, those numbers are so small they can't be read at a distance.

Commissioner Johns said that if we issue a permit for each limo operator or each automobile within a limo company on a yearly basis and it were made larger and permanent, wouldn't that be a better id then worrying about whether they are going to switch plates? And isn't that an issue for the DMV or CHP? She is not opposed to what is being suggested, but is simply trying to find out if there is some way to combine the two.

Mr. McCoy responded that is a logical question. He said that 99.5% percent or so comply with the regulation. The limousine industry has a very strong interest in not putting large markings on what they like to think of as a black unmarked car. In fact, the State TCP number can only be an inch and a half because they want it very subtle. The limousine industry in general doesn't want a large sticker permanently affixed to the vehicle because it detracts from the look of the vehicle. The license plate works fine except for these few violators. This gives us the large number we need without really hurting the limousine industry and its desire to have subtle black cars with little markings on them.

Commissioner Johns said that if they are not complying with the temporary plate, why would they comply by getting a sticker?

Mr. McCoy responded that if they don't comply this new rule gives us something to cite with a \$150 fine.

Commissioner Johns argued that they can't be I.D. because they drive away.

Mr. McCoy responded that we catch them sooner or later. It is really quite a process. They don't just come once a day. We will catch them.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton said that she has been getting questions from members of the public asking how the stimulus money will trickle down to minority vendors and other LBEs. She asked if we could hold a hearing, prepare a package or place on our website information regarding what we are doing.

Mr. Martin responded that he would be happy to do that. He suggested that at one of the June meetings he will ask Sandra Crumpler to provide an update to the Commission on the LBE participation both overall for the Airport and for the economic stimulus funding.

Commissioner Crayton said that during the Master Plan we had a lot of minority participation in contracts, however, many of those firms are no longer eligible to participate in the program as subs. Do we have a program where we help those firms to participate as primary contractors? Can we educate the general public about this?

Mr. Martin responded that we will include that in the presentation and perhaps focus particularly on Terminal 2 where he believed that we will achieve 47% San Francisco participation, a very high percentage, and 19% LBE participation, which is the small



businesses participation. We have upped the goal. We do have some very good news on what we are achieving through targeted efforts. A lot of misinformation is being presented. He reported these same percentages this week to the Board of Supervisors Finance Committee so they are up to speed as well. We are providing them with a written report which will be provided to the Commission as well.

Commissioner Ito thanked the Director for reporting to the Finance Committee. The HRC recently put out new data on the impact on DBE's and LBE's with some of the major work that is being done in the City. It behooves the Airport, since we've had a great track record in the past, to stay on top of the current situation based on the economy.

Commissioner Ito congratulated the Director and his staff for being recognized by Dwell Magazine as the Best Airport in the U.S. It is wonderful to get that recognition and makes us all very proud to be recognized at that level.

Commissioner Ito asked that a report be initiated on the recent proposal by BART directors to add another assessment to the Airport. She brought this up previously regarding how it might impact BART usage to SFO and the monies we spend to market use of public transportation.

Mr. Martin responded that it is of concern to us. The Airport station is the only station on the system where passengers are charged a surcharge of \$1.50 each way. Employees who live in Daly City, for example, pay \$9.40 a day to ride from Daly City round-trip. Bart is proposing to raise that surcharge to up to \$3.50 each way, for a round trip fare of \$13.50 from Daly City. It's a real problem for employees. It may be okay to have a higher fare for airline passengers, given the costly alternatives, but patently unfair for employees. Airport staff is suggesting to Bart that they do away with the surcharge altogether for all Airport employees and perhaps raise the surcharge a little more for non-employees. Commissioner Mazzola has called a meeting with the Bart Board members from San Francisco and the General Manager on Tuesday morning to push this issue. He is glad that several of the union representatives and the tenants are here to hear about this. This additional \$4.00 a day would equate to \$1,000 a year extra for an employee. For a lower paid employee this is an enormous burden and unfair against what everybody else pays on the system.

Commissioner Ito said that she is glad to hear that the Director is on top of this.

Commissioner Mazzola added that a meeting is being held on Tuesday morning at his union hall and they won't get out until we make a deal.

\* \* \*

#### G. POLICY:

Item No.3 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

#### 3. Amendment to the Airport Commission's Clean Vehicle Policy



Mr. McCoy said that at its March 17, 2009 meeting the Commission elected not to proceed on a proposal to issue an RFP for new shared-ride operating permits to a reduce the number of permitted operators. However, at that time the Commission expressed its concern about improving the overall service quality of the existing shared-ride industry and its strong interest in finding a way to implement one of the cornerstones of the earlier proposal ... that is to increase the number of clean air vehicles operated by the industry.

Today, the shared-ride industry continues to be woefully behind in making any progress towards achieving the Commission's existing Clean Vehicle policy that requires 100% clean air ground transportation vehicles by 2012. The best way to guarantee progress towards a 100% clean energy fleet among not only the shared-ride industry, but a similar industry that operates that he wants to include in this proposal and that is the pre-arranged charter industry. There are five permits to five different companies that operate approximately 50 vans that will also be included in this. This pre-arranged industry is not a walk up but rather it is on demand. People make reservations to be picked up at the Airport. The best way to guarantee progress is to include this industry along with the shared-ride industry and to revise the Airport Commission 2001 Clean Air Policy that would include new mandatory annual clean vehicle requirements and a one year postponement in achieving the 100% compliance.

The proposal before the Commission will accomplish both an incremental phase-in requirement and a one year extension of 100% compliance for permitted shared-ride and pre-arranged van operators. This proposal will recognize that there were no CNG vans produced from 2005-2007, but they are now available since last year and this proposal will extend the compliance deadline by one year and calls for mandatory annual incremental phase in of clean energy vehicles over the course of the next four years until we reach the revised 100% compliance date of May 2013.

This is a sound strategy that allows time for the industry to comply with the Commission's existing goal of 100% clean vehicles. Specifically, the proposal extends the existing shared-ride, pre-arranged clean vehicle compliance goal for 100% clean energy until the year 2013. This goal will be met by allowing a four year phase in of CNG vehicles and apply to both permitted pre-arranged and on-demand shared-ride operators.

This Clean Air policy demonstrates the vision this Commission had in 2000 with the Airport's environmental responsibility as well as the great accomplishments the policy has had in achieving remarkable reductions in carbon emissions amongst the other ground transportation operators.

In February 2000, the Airport Commission adopted a Clean Vehicle Policy establishing a 2012 goal for 100% clean air ground transportation vehicles,

subject to vehicle availability. Vans are now available from two manufacturers. Because of the two-year unavailability of qualified clean air vans, and the industry's slow track record of voluntary upgrade to clean air vans, the industry is not on target to meet the existing 2012 goal. Today, of the approximate 242 permitted shared vans operated by eleven companies only 12 vans, or 5%, are clean energy ... this is the lowest percent of any type of ground transportation serving SFO. With the pre-arranged industry, with a total of approximately 45 vans among 5 companies, only 13 vans, or 29% of them are classified clean energy. These numbers stand in stark contrast to other permitted ground transportation industries. Since the adoption of the Airport's Clean Vehicle Policy in 2000 considerable progress has been made. The current ground transportation compliance rate of other industries is as follows: the hotel shuttles are 98% clean energy; off-airport parking shuttles are 90%; the SFO parking shuttle is 100%; charter buses and vans are 12%; crew shuttle vehicles are 35%; airline ground equipment is 45% clean energy. Furthermore, the San Francisco Municipal Transit Agency has passed aggressive clean vehicle requirements which will result in 100% clean taxi fleet by the year 2012, something that the Airport has long encouraged the Taxi Commission and now the SFMTA to adopt these standards. All of these achievements have been made without any Airport financial commitment. They have all been done by the industry as they have invested in clean air vehicles.

The 100% clean air vehicle compliance mandate for shared-ride and pre-arranged vans is proposed to be extended for one year beyond the current Policy deadline of 2012 and to begin on May 31, 2013, with intermediate compliance dates at one-year intervals on May 31, 2010, 2011 and 2012. At these intervals, the mandate will be a 25% compliance in year one, 50% compliance in year two, 75% compliance in year three, and 100% by 2013.

While the Airport Clean Vehicle Policy allows for compliance for operating CNG or equivalent clean air vehicles, CNG vans are currently the only acceptable vans for compliance. The Airport defines a clean air vehicle as one with pollutant equal to CNG. Currently, CNG is the only type of vehicle van that meets the requirements. If in the future, and over the course of the four years there are other vans, hybrid vans, plug in electric vans that meet those goals they too will qualify as part of their compliance ... but right now it is still CNG.

Van operators are encouraged to take advantage of existing federal tax credits, fuel rebates, or grant funds that are available. One of the issues that has been discussed over the years by the industry is the cost differential of clean air vans versus regular gas van and some of the availability issues. The Airport has worked carefully with clean air vehicle suppliers and fuel suppliers. There are two dealers in San Francisco and others in the Bay Area. Clean vehicle vans do not come from the factory as CNG ... they must be converted. The conversion cost is \$18,615 and takes approximately 5-7 weeks. While the conversion cost appears to be large, it is balanced against incentives. At the moment there are a total of \$15,000 in Federal tax credits, factory rebates and fuel reductions that can be offered by CNG fuel suppliers, leaving a total cost to \$3,000 for the price of a CNG van versus gasoline. There is also a fuel savings because the price of CNG fuel is at minimum 50 cents less per gallon than gasoline. At 70,000 miles a year,

which is the average mileage per year a van is driven, that remaining \$3,000 is made up in the first year in fuel savings.

He recommended Commission approval extending the compliance deadline and establishing annual progress requirements for operators in the Shared-Ride and Pre-arranged Van categories. Effective June 1, 2010, would be the first incremental step in which 25% of the fleet would have to be clean energy. The Airport is prepared to take steps to guarantee compliance by either taking two or three other steps ... we can either increase the trip fees to three times the trip fee, we can reduce the number of vans allowed in the fleet to guarantee that they achieve those incremental requirements each of the four years. One way or the other, this will be a requirement and if the companies don't comply they will have their number of permitted vans reduced to the amount where 25% met, or risk losing their permit.

This is the right thing to do for the environment. Every other industry has made great progress in compliance with the policy. This is one industry that has not complied, for a number of reasons. Now is the time to change the existing policy and allow them one more year to comply and mandate the four year phase in.

Commissioner Crayton applauded Mr. McCoy. This is important and we need to be aggressive about business at the Airport. She does not agree with tripling the trip fee ... that would hurt us and it would hurt passengers. We have to look for other ways. Have we provided any means for them to get loans to help with the conversion cost? Is that an issue as to why people are not moving forward to get the vans converted?

Mr. McCoy responded that over the course of 2008 we held three or four different meetings with the industry talking about the proposal at the time that we did not forward with. At that time we talked about the price differential and the cost. We, the Airport, have not committed ourselves to providing any sort of financial incentive to do so, as we have not with the other industries that have already achieved the goal. We can certainly make available the Small Business Administration here at the Airport and try to help these individuals. Remember that in our earlier discussions a great majority of these vans are not actually owned by the permit holders, they are actually owned by the individuals.

Mr. Martin said that the per trip fee is paid by the company, not by the passenger. We've used the same technique with the companies providing service to the off-airport hotels and the off-airport parking lots. Just the threat of the triple per trip fee has been very successful in driving them towards using clean air vehicles.

Commissioner Ito asked if the fee can be passed on to passengers.

Mr. Martin responded that they can, however, they will then be out of line with their competitors if they change their fares.

Commissioner Ito understood Mr. McCoy to say that we will work with the smaller companies regarding grant opportunities, but was wondering if this is going to impact them and their ability to survive with these goals in mind.



Mr. McCoy said that one of the speakers coming up will talk about the incentives and what they actually are. It's a question of balancing that versus the industry requirement to comply with the Commission's policy. That is why the one year extension is being recommended, providing four years to achieve this goal. That should give us time to figure out and answer all of the questions, make sure financing is available, and work with the individuals to help them into compliance. They have one year to meet that first guideline of 25%.

Commissioner Johns was concerned if small operators, or even larger operators, start these investments into the clean air vehicles, which she agrees with totally, and they have complied within the four year period, are able to amortize the entire investment in this clean air vehicle should there be some policy change and they not be part of the authorized vehicles any longer. Something similar to this came up with the taxi cabs and the front of the line privileges and there was a lawsuit.

Mr. Martin responded that the vehicle will continue to have value because even if there is a change in the permit holders, the new permit holders will have this requirements, or the new lessees would have this requirement.

Commissioner Johns asked what happens to that person if he is no longer a permit holder and he has a vehicle that one year prior he made an investment.

Mr. Martin responded that the vehicle will have a remaining value to the new company that would want to be able to buy that vehicle from him. These companies often buy used vans ... there is a very active market in used vans.

Mr. McCoy added that either the company or the individual that owns that clean energy van has the access to the Airport, and whether they work for Company A or Company B that vehicle and that owner is going to be in high demand. If we should ever in the future reissue permits, which is not contemplated right now, but whenever that would happen, that is the valuable asset that someone is going to want to have to comply with the Airport's policy.

Mr. Ben Deal, account manager for a company called Clean Energy. We are the nation's largest provider of natural gas to transportation fleets across North America. We currently own and operate the CNG fueling station on the north side of the Airport on McDonnell Road, and we also own and operate six other CNG stations across the Bay Area that are open to the public 24 hours a day, 7 days a week, 365 days a year.

Natural gas is the cleanest, cheapest domestic transportation fuel that is available in the market today. It falls in line with the Airport's goals of reducing emissions, significantly reducing the criteria air pollutants, and there are also some significant benefits for operators that run and operate natural gas vehicles. Natural gas reduces green house gas emissions from 23-33% compared to gasoline and diesel, and with the new opportunity with biomethane and landfill gas opportunities those emission reductions can be significantly improved upwards of 80-90%.

Clean Energy has partnered with the Airport operators and other companies to support efforts to get more clean air vehicles on the road. One of the value added

things Clean Energy provides in terms of the financing and seeking out grants and other opportunities is that we have got a grants department that has secured over \$120 million.

Mr. Matt Curwood, SuperShuttle, supported the change to clean air vehicles, however, requested that the Airport Commission consider the following points: the cost of conversion, if you don't have grant money, will be approximately \$18,000 per vehicle. In these tough economic times that will equate to approximately \$450,000 a year for their larger company. SuperShuttle would hope that the Airport would consider a larger sway period for the first couple of years. Also, SuperShuttle was concerned that since Fresno was the only CNG conversion facility in California that there would be a back up for larger companies to get vehicles back on the road.

Arik Sharabi, Airport Express, supported the change to clean energy but has reservations about the reliability of the conversion facility in Fresno and expressed those concerns in a letter to the Commission. He also wanted the Airport Commission to consider allowing him to use his hybrid vehicle and propane vehicles as alternative vehicles at the Airport.

\* \* \*

#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote was 4-1, with Commissioner Mazzola casting the dissenting vote.

##### 4. Domestic Terminals Food and Beverage Program - Exercise of Lease Option

No. 09-0108	Resolutions exercising the one two-year option in
thru	the twenty-three (23) Domestic Terminals Food
No. 09-0130	and Beverage Leases.

Mr. Leo Fermin, Airport Deputy Director, Business and Finance said that the item before the Commission exercises the one, two-year option for 23 Domestic Terminals food and beverage leases, extending the lease term from 10 years to 12 years so that these leases will now expire on various dates in 2016 and 2017.

These tenants for whom we recommend this early exercise of the option are members in good standing with the Airport Restaurant Employers Council of San Francisco and who certify that Council membership will be maintained with full participation throughout the lease term, including the option period. Further, these tenants are currently parties to collective bargaining agreements with Unite Here, Local 2, and who shall remain bound by collective bargaining agreement with Local 2 or any other lawful labor organization representing a majority of the employees.

Surveying frequent flyers, the Airport Revenue News magazine recently gave SFO an award for the best food and beverage program among U.S. airports. With



the transition from the former master operator lease to the new Domestic Terminals program the rent we received increased from \$4.9 million annually to \$7.6 million in just the first year, an increase of \$2.7 million or 55%. In just the last few years that \$7.6 million has grown to \$9.7 million annually. Including the International Terminal, our food and beverage program pays rent of \$11.5 million annually.

In the domestic terminals program, the tenants who delivered on our award winning program acted in good faith and negotiated a collective bargaining agreement with HERE, Local 2. We now recommend that you exercise these options not just for the tenants benefit, but also to preserve the Airport's revenue stream for an additional two years.

Ms. Avery McGinn: I own Klein's Deli at the San Francisco Airport and I am also the President of the Airport Restaurant Employer's Council. I'd like to comment and review on how we got here today. Our multi-employer group signed a contract with Local 2 as a direct result of John Martin's offer to us of a two year lease extension. Mr. Martin made that offer a year and a half ago to avert a strike at SFO. He recognized that the 35 to 40% increase in labor costs negotiated between Host and Local 2, separately from our group, was huge. He offered the extensions if we agreed to me-too the Host agreement. He did this to give us time to amortize those increased costs. Based on that offer we signed the contract. Two weeks ago Mike Casey asked the Commissioners what does the Airport get in return for those extensions. I'd like to answer that question. 1) The Airport gets two more years of the number one food and beverage program in the country. Number one in reputation and number one in sales per enplaned passenger. 2) Our me-too of the Host contract averted a costly and disruptive strike at SFO over the 2007 Christmas holiday. Mr. Martin frankly was the hero who averted that strike by stepping in and making it possible for us to settle with the union. From a statement in a union flyer that was distributed at the Airport I quote "the business operators do not need to do anything to receive these extensions." So what did we do to receive those extensions and what did the union get out of it? The union got the contract that they wanted ... the one that Host negotiated with them. And what does that translate to for my two small businesses? My labor cost for an entry level snack bar attendant went from \$14.57 an hour at the end of 2007 to \$19.87 an hour next summer. Without considering overtime, that amounts to an increase of over \$10,000 annually per full time employee. For my 25 employees the total increase is over \$250,000 annually.

If you just look at medical, it goes from \$3.30 to \$8.76, an increase of \$546 over two and one half years. Our businesses counted on those extensions when we signed that agreement. Today is the day for that bargain to be fulfilled with your yes vote. And on a personal note I'd like to add this. My mother worked as a waitress in New York City into her mid 70's. She belonged to the Hotel Employees and Restaurant Employers Union. I grew up respecting and appreciating the HERE. I respect the HERE today. I respect unions. I respect my employees. I also respect the truth and the truth is that we did something to earn those extensions. Thank you very much and thank you particularly to John Martin, if I may, for his support of local restaurants and particularly for us. He is number one in our book and I think he probably is in yours as well.

Mr. Scott Rodrick: I am one of the owners of Yankee Pier and Perry's sit down restaurants in the domestic terminals, as well as the Il Fornaio cafes in the International Terminal. As tenants at SFO since December of 2000 our group overall has enjoyed a great relationship with the City of San Francisco as your partner in delivering an outstanding representation of some of the regions best tastes and guest services. It has been said many times at today's hearing and in previous meetings it is an amazing accomplishment that together as a partnership that SFO has been ranked number one out of 50 airports in the United States. We have taken the food program from the dark ages run by HMS Host to something that you and I and our employees and the citizens of San Francisco can be incredibly proud of. The risk the Commission took back then in engaging the local vibrant San Francisco restaurant community has proven completely successful.

I'd like to address the issue of the current economics of our lease with the City. There are many, many operators in the F&B package operating all kinds of different styles of restaurant so I can only share with you the perspective from one company that runs the two full service sit down restaurants and two small coffee bakery shops at the Airport. The rent that was proposed by the RFP team back then, which included expert consultants who developed many other airports around the country, was not just an arbitrary set of numbers thrown onto a pad of paper. That economic package that we all agreed to was a studied exercise that resulted in a fair financial structure. It was fair to the City, it was fair to the restaurant operators and it was fair to our employees. The base rent figure, which by the way I recall being tirelessly debated for months prior to the RFP release, cannot be looked at as a stand alone number. In the arguments proposed by Mike Casey from Local 2, there was no mention at all of the high extraordinary costs of construction to build those first class units that you see at the Airport. No mention of the monthly infrastructure charges that we pay, every single one of us, to reimburse the Airport for its vanilla shell work prior to us starting construction. No mention of storage costs, and of course, no mention of one of the most lucrative benefits packages for airport employees anywhere in the United States. Simply put, his analysis of rent paid by SFO tenants to other airports is not apples to apples; I'm not even sure if it is apples to oranges; it may be more like apples to automobiles. In a memo written to the Board of Supervisors cleverly titled as "SFO Getting A Raw Deal" the purported SFO rent for current F&B operators was 9.4%. I'm not sure what SFO he is talking about. My rent at Yankee Pier year to date is 12.1%; my rent at Perry's year to date is 12.4%, and in fact as an operator currently in Boston Logan Airport with 5 restaurants and now at JFK, every single one of those restaurants I am paying effective lower operating occupancy costs versus what I am paying at SFO. So in the end I'd like to share again that being the number one F&B program in the U.S. is not a cheap T-shirt slogan, it's the end result of a risk all of us took which has generated the most concession revenue and the most passenger accolades in the Airport's history and I cannot wait to see what all of us together can accomplish in Terminal 2. Thank you.

Mr. Freddi Cartagena: I am an employee at the San Francisco Airport for the last 28 years. I've been a union member for the last 28 years. I love my union. I have always been faithful to them and always supported it, but I am here to speak on behalf of my employer the Mission Bar and Grill. Through all the years that I've

worked at the Airport I have seen a lot. Fortunately, I have been very grateful to work for them. They have been great people to me as well as to my associates. They comply with the union rules as much as they can. I also give them the ideas and the support that they have to support the union. That they have to support and take care of the employees because, after all, we are the ones doing all of the work for them. They do it for us to. So, Commissioners I believe that with all due respect to my associates and the union members, my employer deserves whatever they can get. They have been great to us, they take care of us. I remember a couple of months ago business was very slow and they were trying to lay some people off and cut down the hours. I sat down with them and I told them these times we will come through. Hang in there. We can't lay off these people, they need the job. They didn't lay off nobody. We all kept our 40 hours and that shows that they care for us, therefore I care for them. Thank you very much.

Mr. Ernesto Cruz: I have been working as a cashier for Guava Java in San Francisco International Airport since September 2004, and prior to that I worked for Host for six years. The reason I am here is because me and my coworkers we support the two year lease extension and we are extremely happy working with Guava Java. They are treating us not only as workers, they treat us as family and friends. This is the best company I have ever worked for. I like working here every day of my life. Please consider your vote and favor for two year extension. Thank you for allowing me to address this. With respect thank you very much.

Ms. Sally Ly: I am here to speak about ... I am so nervous, sorry, half a century of my life I haven't spoken publicly like this. I am so scared. Anyway, I work with Klein's Deli for about 5 years now and total of my work life with Avery McGinn, my boss in the Airport for 15 years. I am so proud working for her and she is considered a very good boss among our employees and also all of the new acquaintances I have met in the Airport all these years that she is a very nice boss. I am surprised. Those people I have not seen and have not known them and tell me you have a very nice boss. So just here today I really want to support the two year extension strongly because all the years working with her she has been taking care of us employees as much as she can from Carousel beginning into Crossroads Café, now Klein's Deli. We are very happy to be working with her. I am very confident about the business that we have expanded, and the passengers are very happy to have us in the Airport because we can hear every day from the daily meeting with passengers ... in daily compliments from the passengers. Recently we have good reviews about our Klein's Deli in the Airport. So I am so proud to be able to work in a place like this and I plan to work the rest of my career life to be working with Avery McGinn especially. So I do not intend to look for another job if this is the good one that I can stay with, right? So I would like to have your support for the two year extension Commissioners so you will be able to help us continue our career for the rest of my career life. Sorry, that is all ... I am so nervous. Thank you very much ... so I strongly hope that you can support her for the next two year extension.

Mr. Luis Sanchez: I am one of the owners of Andale Mexican Restaurants at the Airport, and a good citizen of San Francisco. I'd like to ask you for your support and also I'd like to ask the rest of the members to stand up and introduce yourselves to the Commissioners, please: Glenn Meyers from Firewood Café and



Peets Coffee; Adam Light from D-Lew Enterprises; Miguel Romero from Bayport Concessions; Avery McGinn, Klein's Deli 30 years operating in San Francisco and living on Potrero Hill; Deanna, a native San Franciscan also operating for 27 years in San Francisco and currently at San Francisco International Mission Bar and Grill. I represent the minority in the Airport. Gary Rulli, Emporio Rulli; Scott Rodrick, Perry's, Yankee Pier and Il Fornaio; Lupe Rodriguez from Guava Java; Ringo Wong, Tomokazu; Aaron Chu, TGIFriday; Steve Sarver, San Francisco Soup Company.

Mr. Gary Rulli: I sent you a letter last week so I won't go into the particulars on it, but I just wanted to clarify the situation of the slanderous charges that were being put forward by Mike Casey and the union. It is all very self explanatory if you read the letter. I will reiterate my family, both my grandfather, my father, they were all in the union. I've never crossed the picket line in my entire life. But, I just refuse to have my employees intimidated. They have to come to work and deal with the flying passenger public every single day and to have them in tears or intimidated by those kind of tactics is something that I just don't accept and I am not intimidated by it and I won't allow it to happen. We have done an incredible job at SFO for the last 10 years. As you can see by the results through John Martin's leadership, Willie Brown's leadership and vision and yours we created the number one airport in the country. And my thing with Local 2 ... honestly some things that I think they should take into consideration is maybe to create an apprenticeship program like the Plumber's Union or the Electrician's Union where they train their staff and invest in their staff, become incredible bartenders, incredible coffee baristas, customer service things that would not only help the Airport but would actually help their staff. Ninety-seven percent of union staff at the Airport do an unbelievable job, but in my opinion unfortunately the 1 or 2% of the bad apples take up 95% of the union's time and I just don't appreciate being slandered and lied about, and having my employees come to work having paperwork thrown at them saying "Shame on Emporio Rulli" because they have to be proud of what they are doing.

Commissioner Mazzola: Let me interrupt you. I just can't sit here and have you continue to say Mike Casey and Local 2 intimidate. I know these folks all my life. They don't intimidate. They put their thoughts forward to their members. It's a lot different. They hand their members a piece of paper saying here's what we think. Not intimidation. I do it everybody, else does it now. If you want an apprenticeship program like the plumbers union you may think that is intimidating because we are going to tell you how that apprentice works. But that's what the unions do. So please, don't go on record here to say that Local 2 intimidates workers because they don't.

Mr. Rulli: Okay, we have a difference of opinion. Anyway thank you very much for your time.

Mr. Ian Lewis: I'm Research Director for Local 2. I want to address a couple of the facts that were brought up ... purported facts with respect to concessions. First of all the link has been made between this lease extension and the current contract with some of these concessionaires. This is a contract negotiated and signed well into 2008, not around the Christmas season. There was a negotiation

settled around Christmastime. It was on the brink of a strike around Christmastime in 2007. Host at the time made a business decision, recognized an agreement that made business sense that they could live with that was acceptable to our membership. The negotiations with the employers group were not concluded until well into the following year. A couple of the facts here that you should bear in mind: 1) this contract expires next year in 2010. Now what sort of business amortizes debts into 2016, 2017 in connection with a contract that was signed in 2008, expires in 2010, I don't know. As to the facts in the report that we delivered to you a couple of weeks ago, it is true according to data submitted by the Airport to Airport Revenue News that SFO is number one in sales in the U.S. among a large hub airports. It is also dead last in terms of percent of rent it collects from food and beverage concessionaires, and close to last in terms of per passenger rents collected. Now this puts you in a bit of a predicament as fiduciaries because you have an affirmative obligation to maximize rental income from concessionaires. Now the leases and rents that are in place from now until 2014, 2015 are fixed. You cannot go back and address those or modify those, but to take the step to extend those now, just 4-5 years into a set of 10 year leases would be a huge mistake for you. There is no compelling reason to do that now, particularly in light of evidence that you are foregoing potentially \$5 million in revenues from concessionaires. The fact that these rents have never been put out to bid ... this isn't a decision you need to make now, it is decision that you could properly make in a couple of years time when you are close to the expiration of these leases. And, finally the fact that this is happening now at a moment when the budget is moving forward with proposed increases of 5% on airline fees should be a little troubling. Lower airline fees lead to more passengers, as you all know, which leads to more customers, more shifts for our members, more revenues for concessionaires, and the jeopardy of an upward trend in airline fees because concession rents aren't being maximized as you are obligated to do stands to harm us all. So I would ask you to all consider that.

Mr. Kevin O'Connor: While I am not aware of what letter Mr. Rulli might have sent the Airport Commission, just very briefly what the concerns that were raised two weeks ago and what we've raised with Mr. Rulli have to do with the International Terminal so it is not related to the leases, but it is about how workers are treated there. We have a neutrality agreement. Other employers at the International Terminal at this date where are organizing and are complying, that has not been the situation at Emporio Rulli. It should be noted it hasn't been a problem with Mr. Rulli, personally, it has been his management team there. There have been multiple interrogations of workers about union sympathies and their union activity and then retaliation about those union activities. There have been schedule changes, write ups. The most troubling thing ... there were two terminations, one of whom you heard from two weeks ago who two days after he announced he was on the union committee was terminated. There have been threats of benefit reductions. So, the situation there would be remedied very quickly if the Emporio Rulli management team merely complied with the neutrality agreement and workers were able to exercise their right to choose or not choose the union free of intimidation. That is all we are looking to get done there and that has been our problem with Emporior Rulli in the International Terminal.

Mr. Mike Casey: I anticipate where the vote is going on this. I think it's a mistake



if you vote yes on this. With all due respect to Director Martin who I hold in very high regard as well. I share Avery's assessment of the role that he played. I want to be very clear on the record. At the time of that dispute when we were negotiating with both Host and the employers, I made it very clear to John Martin that I thought that that would be a mistake to make any kind of representation relative to lease extensions. It is my firm conviction that they agreed to the agreement because there was no other choice. Host had already agreed to it. Host had made an agreement, representing over a third of the workers at that Airport and a strike was pending ... we were like within 36 hours of a strike at the time. That's the reason that the agreement was made. Certainly John's agreement or representation that he would do what he could to extend leases may have been a little bit of an encouragement, however, it was Host, just so we are real clear here, that made the agreement that these employers did everything they could to get out of. I see real troubled waters ahead in these negotiations coming up next year and by moving in this way right now you have basically given these employers free an extension that is not necessary. There were over 80 people in the meeting room and in an overflow room ... over 50 workers from the Airport of our members and over 30 other supporters from other union hotels around the City who came to the last meeting ... an overwhelming majority of workers that signed petitions in opposition to these leases. I think that given all of the problems that we had in those negotiations you can wait. These leases are not up next year or the year after. These leases are up in 2014 and 2015. You are giving two years extension at a time that is unnecessary. For all of the public policy reasons that we have outlined, for all of those reasons I think that is the reason to not make this decision now and defer it for another year and a half. Let's see what happens next year. If this is all about the so-called good relationship, which we very much dispute, there is not good relationships with most of the employers at this Airport. I want you to understand that. There will be troubled negotiations next year; I anticipate that given what we went through. And I just also want to note that the union, the workers who are in that Airport were in that Airport long before any of these employers were here and the first two years of that agreement these employers received significant and huge breaks, and when it came time to negotiate the new agreement it took us well over a year to get the deal done. So I think that you need to have your eyes wide open as to what you are doing in this vote. Thank you.

Commissioner Crayton said that it is her understanding that financially you have looked at the amortization of these leases in terms of the Airport's fiscal responsibility. She has read through and analyzed a lot of it. As a result of the increases that were agreed to in order to avert a strike... 35-40% ... have any of the vendors had to lay off employees, including as a result of the economy, due to this?

Mr. Fermin responded that he did not know.

Commissioner Crayton asked anyone in the audience who had to lay off employees to please stand up. Does this two year extension take us to 2012?

Mr. Fermin responded that we are talking about extending to new end dates in both 2016 and 2017. The leases are staggered they come up at different times.

Commissioner Ito said that she has been a union member and a Local 2 supporter

when they were struggling with major hotel operations in this town, however, looking at this and sitting here as an Airport Commissioner and also being a small business owner, I understand that these negotiations were tough and it was difficult for the concessionaires and the vendors to agree to the 30-40% increases. She thought that what is not being talked about is that it is not only just the health benefits that perhaps have increased these costs to the owners of the concessions, but there are other normal inflationary costs we all are facing. The cost of buying food, the packaging requirements in this City in terms of recyclable goods. There is an infinite number of costs that you are not bringing to us today. That on top of the health benefits, which are critical for our employees, that you are also bearing those costs. We need to keep that in mind. It has been suggested that almost \$20 per hour cost is really truly \$40 or \$50 costs out of your budget with the FICA and all of the other benefit requirements that you are required to pay as far as employee benefits for the State tax requirements.

The other issue that concerns her ... she is concerned about having both Host and Employee Council negotiating with our staff. She feels it is divisive and a built in road for disaster for the benefit of the employees and the benefit of the businesses. She understands union negotiations. She used to be on a team negotiating benefits for her union so she knows some of the processes we have to go through to get to A to B. But, in these difficult times we are trying to support local businesses to survive and also for people to maintain their health benefits, which are critical issues, and it sounds like we've met that here today. We need to address what is being met today and what is going to allow the businesses to give those benefits and if it is requiring us to extend it for two years she is in favor of that based on Mr. Fermin's recommendations. Unfortunately, she feels like we are in a situation where everybody has to give a little. This other larger factor of Host and the Council having to negotiate separately ... the message she wants to give to Host is that they need to come to the table to make this a more reasonable process and beneficial for the employees. She is very concerned about that.

Commissioner Johns wanted to go on record and thank Commissioner Ito for her comments ... she agrees totally. She is very, very proud of the restaurant program at the Airport. It is wonderful and the fact that the percentage of rents may be slightly askew have to be taken into consideration in the total package. She appreciates Commissioner Ito's comments and definitely supports the program here today. Thank you.

Commissioner Mazzola said that Mr. Fermin recently reported an audit on the food concessions and asked if that audit was done for domestic and international.

Mr. Fermin responded that it was.

Commissioner Mazzola said that the audit showed that 27% of your respondees to be overcharging in 27% of the items?

Mr. Fermin responded that we found that approximately 27% of menu prices had been increased without the Airport's prior authorization, as required by the lease.

Commissioner Mazzola said that that is a lease violation. Twenty seven percent is high. He understood that fines were going to be issued to try and curb that.

Mr. Fermin responded that we will do that in the future.

Commissioner Mazzola asked if any of the 23 concessionaires in that mix.

Mr. Fermin responded that some of them were.

Commissioner Mazzola said that testimony was given that back rent was owed to the Airport to the tune of \$206 million. Do any of these 23 people owe rent?

Mr. Fermin responded that some owe back rent ... they are on payment plans.

Commissioner Mazzola said that if we approve this extension we are rewarding people who are in violation of the lease. Maybe we could reward those who are not in violation of the lease and take out those that are in violation of the lease. He cannot vote for extending leases and giving them a good deal. He knows that John promised to do it, but doesn't know when he promised to do it. He can't bring himself to vote for people who are in violation of the agreement.

We also have testimony that some of these people have been treating employees in a manner that the union thinks is wrong. If all of that is true he can't vote for extending this lease.

Commissioner Crayton wanted to make clear that the questions she asked earlier were to reflect that in this economy and the 35-45% negotiated increase ... which was excellent ... she didn't understand why some of the business owners didn't stand up when asked if anyone had to lay off employees. She personally knows people that worked at some of the restaurants that were laid off because of the economy. In order to pay the rent they could not afford to have the extra workers. She applauded Director Martin for recognizing something that would have been disastrous to the economy, not only in San Francisco but to the Airport and its operation, and honoring his obligation to the traveling public to make sure that those restaurants were operational. To make sure that the enplaned passengers coming through there would have the ability to have the services that they needed. Sometimes it takes people to make those hard decisions and look at our fiscal accountability. She knows Leo and the kind of job he does. She respects that job and she also respects the union. She has parents who grew up in the union, as did she. However, to the point where we can agree, sometimes we have to disagree. She supports the increases. We need to make these tough decisions to move forward. Where there are issues that need to be worked out, let us go forward and work those issues out, but in terms of the greater good we have to make those decisions.

Commissioner Johns said that has concerns on a comment that President Mazzola. She is not concerned about the pricing. The policy that is being put into place to go forward and monitor those prices and make sure that we do a better job regarding compliance with the regulations is a good one. However, she does

have a concern about those folks who are in arrears ... in default of a lease because of back rent. Attachment 1 and Attachment 2 show eight entities that are not listed on Attachment 2 to move forward. She wanted to be certain that those folks who are in violation of their lease terms due to rent arrearage will not be given the two year extension until that arrearage is resolved.

Mr. Fermin responded that the tenants who are in default on their lease because of past due receivables are not included in this list. The total past due receivables currently are a little over \$300,000, which is about 2% of our annual receivables. From time to time tenants will fall a few days behind and that is what he was referring to when he mentioned that there are some tenants who are in past due condition but are not in default yet because they haven't reached the default trigger.

Commissioner Johns understood Mr. Fermin to say that those who are in default will not be given the two year extension at this point?

Mr. Fermin agreed.

Commissioner Johns asked if they will be given the extension when they come into compliance.

Mr. Fermin responded that the ones who are in default have been given the condition that they must become current and remain in compliance for at least six months before we even consider coming before the Commission and asking for an extension.

Commissioner Johns asked if that will come before the Commission.

Mr. Fermin responded that it will.

Commissioner Crayton wanted to make that the neutrality agreement is respected and that the Commission is kept up to date about that.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous. Commissioner Guggenheimer left the meeting at 10:30 AM during the discussion of Item No. 5.

5. Award Professional Services Contract for Airline Liaison Office Consultant Services - Contract No. 8891 - Airport & Aviation Professionals, Inc. - \$800,000

No. 09-0131

Resolution awarding the Professional Services Contract for Airline Liaison Office Consultant Services to Airport & Aviation Professionals, Inc., for a term of five (5) years with a maximum not-to-exceed amount of \$800,000 for each year of the contract with three (3) one-year options to extend.

Mr. Fermin said that our Lease and Use Agreement with the airlines requires that



the Airport consult with, and seek approval of capital projects with the airlines, as well as consult with them on rates and charges and debt financing. Additionally, we have the need for on-going technical consultations with the airlines to both receive their technical requirements and their feedback as an industry. For example, we've been working closely with the airlines on aircraft gating requirements, as well as the check-in counter and check-in systems, and baggage system requirements for the Terminal 2 Redevelopment Project. We also need to get airline industry feedback on a diverse range of needs, from future cargo requirements to issues and recommendations for new gate assignment protocols, to aircraft docking requirements to make sure that passenger loading bridges fit the different aircraft types in the various airline fleets.

Historically, airlines had staff of various property and technical specialists that worked with airports, including us, on all of these matters, which interfaced between the airlines and the Airport. In the early 1990's, many airlines began cutting back on their staff that interacted with airports so we began to encounter a scarcity of people to work with on the airline side to their needs and get airline feedback. Consequently, like many other major airports across the country, we use the services of an airline liaison service provider to fill the staff vacuum created by airlines downsizing their technical, financial and properties staff who work with airports. The airlines pay for the cost of these services since this cost is included in the rate base for establishing landing fees and terminal rental rates.

Commissioner Johns noted that they were the only bidder.

Mr. Fermin explained that there are only a few companies that provide this kind of service, and, in fact, Airport & Aviation Professionals has the lion share of the business.

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

6. Boarding Areas B and C Principal Retail Concession Lease No. 98-0228 with Pacific Gateway Concessions, LLC

No. 09-0132	Resolution approving Amendment No. 3 to Boarding Areas B and C Principal Retail Concession Lease No. 98-0228 with Pacific Gateway Concessions, LLC which reduces the total square footage under the leased premises, decreases the Minimum Annual Guarantee to \$1,450,000, and extends the term by three (3) years, and directs the Commission Secretary to request approval of the same from the Board of Supervisors.
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Mr. Fermin said that this lease currently covers two locations in Boarding Area B, and four locations in Boarding Area C. The lease ends on June 19, 2009. Three of the four locations in Boarding area C have already been awarded under two



other leases. The most recent was the award of the new Boarding Area C Retail Lease to Hudson News Company for a newsstand, a news and gift shop, and a specialty retail store.

However, we have a challenge with the spaces in Boarding Area B. Demolition of B will likely commence in early 2011 and we don't think it prudent to try to rebid these spaces until we have more certainty on the demolition and renovation schedule, as well as which airlines will occupy B. Consequently, we recommend a lease extension for the two stores in B, coupled with the pre-Security kiosk in C. This extension would be for a maximum of three years, and after the first year, either the Airport or the tenant can terminate with a 60 day notice.

On the surface, it appears that with the contraction in locations and the reduction in the MAG, that revenues to the Airport is being reduced. On the contrary, with the C spaces being awarded under other leases, we are actually seeing our MAG for the retail spaces in both B and C combined increasing by \$469,000 from \$2,431,200 under the current PGC Principal Lease to a total of \$2,901,000 under this reconfiguration of space and lease extension.

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#### I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 9, was moved by Commissioner and seconded by Commissioner. The vote to approve was unanimous.

##### 7. Bid Call - Contract No. 8873A - 575 N. McDonnell Road Office Modernization

No. 09-0133

Resolution authorizing a bid call for the renovation and modernization of Building 575 for Airport Commission use, as part of the Terminal 2/Boarding Area D Renovations Program. The various Airport divisions currently residing in the Terminal 2 office block, including Finance, Accounting, Revenue Development, ITT, and Aviation Management, will be relocated to the facility upon its completion.

##### 8. Commence the Competitive Selection Process for Shoeshine Service Lease through a Request for Proposal

No. 09-0134

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue a Request for Proposal and conduct an informational conference for the Shoeshine Service Lease.

##### 9. Approval of Lease with the U.S. Government

Resolution 1) approving Lease No. GS-09B-10967 with the U.S. Government for space to be occupied by the U.S. Federal Bureau of Investigation at the International Terminal, and 2) directing the Commission Secretary to forward the lease to the Board of Supervisors for approval.

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

L. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

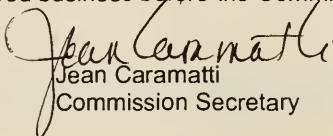
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:47 AM.

  
Jean Caramatti  
Commission Secretary



STATEMENT TO AIRPORTS COMMISSION RE VAN CONVERSION:

1. We very much believe the van conversion idea is excellent, important for the environment, and gives a chance to people in the transportation business to do their part for clean air.
2. However, the way the system now works is unfair to small operators: it requires taking the *van* all the way to Fresno, leaving it there for several days, and having to return it. It also costs \$17K, and the benefit to the operator are very remote: the amount of money received as credit, in most parts, is credit against taxes on profit. That assumes profit. Most operators now are lucky to break even.
3. Finally, we ask the commission to ask the staff to propose a system that divides the cost between the operators, the airport, and any funds available for that purpose.
4. The primary portion of the current credit given for van conversions is from taxes on profits earned by the operators. The problem, as stated above is that most current operators, at best, break even. Thus, the primary credit is a non-starter. One way to change that situation would be to alter the arrangement between the current operator at SFO by having them share the business. That would take a reconfiguration of the zones at SFO, or the activation of the RFQ being proposed by the Airport. The RFQ: at this time) is frozen at this Commission. Effecting same, or, again, re shuffling the zone assignments, would assist the small operators to earn profit which would make the CV conversion credits meaningful.

Arik Sharabi,  
Airport. Express  
May 21, 2009

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

June 2, 2009

9:00 A.M.

Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

President

**LINDA S. CRAYTON**

Vice President

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

Airport Director

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Minutes of the Airport Commission Meeting of  
June 2, 2009

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# AIRPORT COMMISSION MEETING MINUTES

June 2, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenhime

Absent: Hon. Linda S. Crayton, Vice President

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of May 22, 2009 were adopted unanimously.

No. 09-0136

\* \* \*

## D. SPECIAL ITEM:

No action was taken on this item.

### 1. Opposition to the Proposed Increase in the Bay Area Rapid Transit Systems' Surcharge for the use of the Airport Station by Airport Employees

Resolution opposing the proposed increase in the Bay Area Rapid Transit Systems' Surcharge for the use of the Airport Station by Airport employees.

Mr. John Martin, Airport Director, explained that we have distributed a draft resolution asking the Airport Commission to oppose the surcharge as it applies to employees riding BART to the Airport. He is asking that the Commission not to take action until the next Commission meeting. We'd like to try and resolve this issue with BART.

On May 28 the BART Board approved an increase in the existing \$1.50 surcharge to \$4.00 at the Airport. We are the only station on the BART system which has a \$1.50 surcharge. The BART Board approved increasing it to \$4.00 each way

effective June 30, 2009. But, the BART Board also directed its staff, in a separate resolution, to work with the Airport to try and find a way to mitigate this surcharge for employees riding the system to the Airport. It's an undue burden on employees. An employee commuting from 16<sup>th</sup> and Mission, for instance, would pay \$16 a day in total just to ride BART to the Airport, so it's an extraordinary cost. A secretary on our floor recently stopped riding BART and now takes SamTrans. With this approved increase in surcharge she will be saving \$2,800 a year by riding SamTrans rather than riding BART. It takes about 20 minutes longer on her commute but the costs are extraordinary.

Certain BART Board members believe that the surcharge is justified by the \$2.5 million in rent BART pays annually for the Airport station. However, the Airport pays \$14.8 Million in debt service annually on the \$200 Million construction cost for the BART station. That \$14.9 million in debt service is offset by \$2.5 Million in rent from BART. That was part of an agreement made between the ATA, United Airlines, Mayor Willie Brown, the BART Board and the Airport Commission.

Commissioner Mazzola asked if it is true that BART's resolution directs their staff to meet with Airport staff.

Mr. Martin responded that it's true. The first meeting is today and that is why he would like the Commission to defer action.

Commissioner Johns asked about the timing of the increase.

Mr. Martin responded that the surcharge will go into effect on June 30, 2009. The BART Board has a meeting on June 18<sup>th</sup> and the Commission's next meeting is June 16<sup>th</sup> so there is still time to take action before the final BART Board meeting where they can make an adjustment to the surcharge.

Commissioner Ito asked about how many employees utilize the system?

Mr. Martin responded 1,100 employees ride BART daily; that includes 500 airline employees who receive a 25% discount under the terms of that 1997 agreement. The other 600 employees include Airport Commission employees and other tenants of the Airport.

Ms. Trish Suzuki, San Mateo Labor Council, introduced members from the Airport Labor Coalition. They support Mr. Martin's position on working with the BART staff to come up with a way to eliminate the surcharge for employees. We want them to be able to use BART because BART keeps people off the road, frees up parking spaces and prevents wear and tear on vehicles, plus the additional cost may cause low wage workers to find jobs elsewhere. They spoke with the BART Board about this.

Ms. Annie Kim, organizer with SEIU Local 1877. They represent approximately 2,000 employees at the Airport.

Ms. Maggie Gribben, an organizer at the Airport with SEIU Local 1877. They look forward to working with the Commissioners and John Martin to come up with

something that will work for the employees at the Airport.

Mr. Whitfield McAteer, Local 1877, Airport Division, said that in these economic times a lot of the people they represent have had their wages frozen and their hours cut. This proposal, if it goes into effect, would literally have part time employees working almost two days out of their paycheck just to travel to and from the Airport to get to work. Many of their members just can't afford.

Commissioner Mazzola thanked the group for their comments and for the letter sent to BART from Shelley Kessler.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 2, 3 and 4 were called together, moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Authorization for the Sale of Capital Plan Bonds for the Purpose of Financing Approved Capital Projects Undertaken by the Airport - \$718 Million

No. 09-0137

Resolution authorizing the sale of up to \$718 Million of previously approved new money long-term bonds to finance approved capital projects.

Mr. Leo Fermin, Deputy Director, Business and Finance said that these three items have been reviewed and approved by the Airport's Financial Advisory Panel.

Item No. 2 is the long term financing for the Airport's Five Year Capital Projects Plan which was previously approved by this Commission as well as the airlines and the City's Capital Projects Committee. This bond sale authorization includes the \$383 Million permanent financing for the Terminal 2 Renovation Project.

It has been 8.5 years since we've last issued new money bonds for Capital Projects. As of now, and this schedule will change as cash flow needs change and market conditions change, we are planning to sell the first increment of bonds between \$200-\$250 Million this coming September.

In February 2010 a second increment of another \$200-250 Million will be sold, with a final increment around April 2012. However, in the event the outlook for the municipal bond market worsens instead of improves we will be ready, if necessary to quickly sell as much as possible to lock in as much of the full \$718 Million we need for the Five Year Capital Plan.



Item 3 is our plan B. In case the market for long term bonds dries up our contingency plan is to issue 1-5 year bond anticipation notes to bridge the gap until the financial markets improve. A period of up to five years will give us the necessary breathing room to wait it out for a better market if necessary.

Item 4 awards new dealer contracts to issue short term Commercial Paper. Commercial Paper is issued for anywhere from 200-270 days in duration and is a very low cost way to finance ongoing construction work and to fine tune our cash on hand against construction disbursement needs. These three items respectively are our long term, our medium term and our short term approach to financing projects on the approved five year capital plan.

Commissioner Johns noted that Item 2, page 2, paragraph 2, the last sentence says "the Airport may take advantage of these provisions in connection with the issuance of Capital Plan Bonds." Does that mean they may or they can in relation to the IRS?

Mr. Fermin responded that we can ... or, we are allowed to take advantage of this.

Commissioner Johns said that it seems like in Items 2, 3 and 4 there are a lot of "authorizes the Airport Director to do" and assumed that this in conjunction with ... it seems like a huge responsibility.

Mr. Martin responded that we need to be able to act quickly when market conditions are right and that is the intention of these provisions ... that we have all of the checks and balances through the Financial Advisory Committee and Nadia Sesay's involvement through the Controller's Office.

Commissioner Johns said that she understood that we are adding a third entity in Item 4, the new dealer contract, but we are making those contracts for five years? She asked why that long of a term in these turbulent times.

Mr. Fermin responded, first of all we previously have had three dealers ... the third one previously was Lehman Brothers and this is sort of a successor company. In the past, the contracts were for three years with two one year options for a total of five years. However, under the City rules pre-qualified pools last for two years, so the exercise of the one year option after the three years would be outside of the two year life of the pool. To prevent a conflict with that rules, we went with a five year contract instead.

Commissioner John said that she also read that at any time you can get rid of those in the pool and get somebody new.

Mr. Fermin agree ... it's in the contract.

Commissioner Ito noted that Page 3 of Item No. 2 says that this will be done on a negotiated basis and asked if that so you can narrow who you have to deal with rather than throw it out there and make it competitive and getting someone less stable.

Mr. Fermin responded that there are certain conditions under which a negotiated approach to selling bonds works better. For instance, how you structure the instruments. There are times when the type of instruments are rather complicated so it actually works better to sit down with potential underwriters to explain the transaction. There are other times when there are issues with the market conditions. For example, the type of investors that are interested in buying the paper. So it actually makes sense to sit down with potential underwriters who have clients who are pre-subscribed or looking for the type of instruments you are selling. Under these conditions that we are facing today where we have issues with credit quality of the bond insurance companies, credit quality with the letter of credit providers, issues with general investor demand, tax considerations, it is actually far more advantageous for us to sit down and negotiate the placement of these securities instead of doing a stand alone bid.

3. Authorization for the Sale of Bond Anticipation Notes for the Purposes of Refunding Outstanding Bonds and/or Financing Approved Capital Projects Undertaken by the Airport - \$400 Million

No. 09-0138

Resolution authorizing the sale of Bond Anticipation Notes of up to \$400 Million to provide the Airport with added financial flexibility at comparatively low interest rates for the purposes of refunding of outstanding bonds and/or financing of new capital projects.

4. Award New Commercial Paper Dealer Contracts for Dealer Services in Connection with the Airport's Commercial Paper Program

No. 09-0139

Resolution awarding new Commercial Paper Dealer Contracts with J.P. Morgan Securities, Inc., RBC Capital Markets and Barclay's Capital, LLC.

Item No. 5 was moved by Commissioner Johns and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

5. Award of Contract No. 8547 - Central Plant High Temperature Water System Improvements - Trico Construction Company - \$1,716,667

No. 09-0140

Resolution awarding Contract 8547, Central Plant High Temperature Water System Improvements, to the lowest responsive, responsible bidder, Trico Construction Co., in the amount of \$1,716,667.

Mr. Ernie Eavis, Deputy Director, Facilities said that in February the Commission ratified an Emergency Declaration to start building two new boilers for our Central Plant. This is the second part of that project which will prepare the sight and install the two new boilers at the Central Plant. The boilers should be ready late

August, early September to start installing. This contract will allow us to get that project completed before the World Series. We received five very competitive bids on the project. There was only a \$14,000 difference between the two low bids \$1.4 Million job.

Commissioner Mazzola understood that there was a protest from Schram.

Mr. Eavis responded that there was a protest predicated on Trico not having the necessary qualifications to do the work. Trico provided documentation. Between Trico and their subcontractor they have installed a number of these types of boilers before. The subcontractor is doing almost \$600,000 worth of the project and they have experience putting in so we found the protest to be without merit.

Commissioner Mazzola asked Mr. Maerz is he was satisfied.

Mr. Rob Maerz, airport General Counsel, responded that he was satisfied.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 6 was removed from the calendar. The Consent Calendar, Item Nos. 7 through 10, was moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

6. Award Contract 8873BR - Building 575 Asbestos Abatement/Interior Demolition - MARCOR Remediation - \$623,575

Resolution awarding Contract No. 8873BR, Building 575 Asbestos Abatement/Interior Demolition to MARCOR Remediation in the amount of \$623,575. This contract will provide for the abatement of hazardous building materials and demolition of the building interior on the 2<sup>nd</sup> and 3<sup>rd</sup> floors of Building 575 to allow for the renovation of these floors for the relocation of Airport employees currently housed in Terminal 2 office space.

7. Award Contract 8835 - Airport Generator and Diesel Fuel System Maintenance and Repair - EVRA Construction, Inc. - \$371,000

No. 09-0141

Resolution awarding Contract No. 8835, Airport Generator and Diesel Fuel System Maintenance and Repair, to the lowest responsive, responsible bidder, EVRA Construction, Inc., in the amount of \$371,000.

8. Bid Call - Contract No. 8606 - Field Lighting Building No. 2 Improvements

No. 09-0142

Resolution approving the scope, budget and schedule for Contract 8606, Field Lighting Building No. 2 Improvements, and authorizing the Director to call for bids when ready.

9. Accept and Expend Transportation Security Administration (TSA) Funding for the K-9 Explosives Detection Team Program - \$700,500

No. 09-0143

Resolution authorizing the acceptance and expenditure of Transportation Security Administration funding of the K-9 Explosives Detection Team Program of \$700,500.

10. Modification No. 19 to SFO Shuttle Bus Contract - Adjusting Basic Hourly and Incremental Billing Rates

No. 09-0144

Resolution approving Modification No. 19 to SFO Shuttle Bus Contract adjusting basic hourly and incremental billing rates for the period January 1, 2009 through December 31, 2009.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Emil Lawrence said that he has spoken before the San Francisco Taxi Commission, Municipal Transportation Authority, The Board of Supervisors and the Planning Commission. Over the past four and a half years he has filled out job applications for the City of San Francisco under the Human Resources Registry over 200 times. He has applied for 25 positions under that Registry at SFO from Administrative Analyst 1822, 23, 24, 25 and 26. He is rated 1,000 points to 1,060 at the top of each list but after 4.5 years he has not managed to get one interview.

He applied for Economic Planner four times; it was listed again several weeks ago. He didn't mean this as a derogatory statement, but you have a Chinese firewall of Human Resource representatives that can't find his file ... they have lost it twice, that have changed positions several times and lost it, replaced it claimed that he didn't graduate from high school, let alone his college transcripts, or his MBA. This went on for 2.5 years. The position opened up again on May 17<sup>th</sup> and he applied for it again. He did not hear a word. His file does not seem to be anywhere on the premises at this time.

He has 20 years in the securities business, even though he drives a taxi today at SFO. He has hedge fund analysis for crude oil versus jet plane fuel. He has also bought /

sold revenue bonds, treasury bonds. His background in Finance goes beyond anything that you have in administrative talent today.

He brings this application before the Commission today because in four years it has not managed to get to your Commission. It has been blocked, possibly by Mayor Gavin Newsom. He has had a personal battle going on with him for almost 3.5 years. He put three appointments on the Taxi Commission after bumping him from the Civil Service registry by placing attorneys from his inner office on that Commission when civil service pointed out that he was the most likely candidate for the job.

Mr. Martin Smith, Luxor Cab, Medalion 713, said that was before the Commission to talk about the height restrictions at the Airport and if there is a way to have a lot for alternative fuel Ford Escapes, Highlander alternative fuel. These vehicles are not recognizable as taxis until top signs are added and the signs cause the vehicles to exceed the height limit and can't get through. These vehicles are expensive and the

signs also help them generate revenue.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

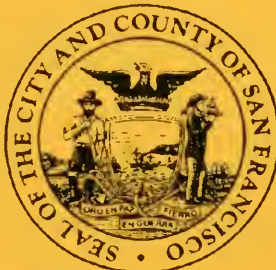
K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 AM.

Jean Caramatti  
Commission Secretary



# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**June 16, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

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Minutes of the Airport Commission Meeting of  
June 16, 2009

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E.		DIRECTOR'S REPORT:		
	3.	Oppose Proposed Increase to BART Surcharge for Use of Airport Station by Airport Employees and Authorize Director to Initiate Shuttle Bus Service to and from the BART Millbrae Station Should the Director Deem Such Action Necessary	09-0148	6-7
F.		ITEMS INITIATED BY COMMISSIONERS:		7
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	4.	Award Contract 8873BR - Building 575 Asbestos Abatement/Interior Demolition - Schembri	09-0149	8-9
	5.	Establish a Pool of Pre-qualified Firms to Provide International Strategic Marketing Services for Varied Scopes of Work for Overseas Locations	09-0150	9-10
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H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	7.	Award Contract 8886 - Facilities Roof Repair - Pioneer Contractors, Inc.	09-0152	11
	8.	Award State Legislative Advocacy Contract - Edelstein, Gilbert, Robson & Smith	09-0153	11

9.	Award Snack and Beverage Vending Lease - North County Vending, Inc.	09-0154	11
10.	Adopt Pool of Consultants for As-Needed Airport Planning and Management Services	09-0155	11
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12.	Modification No. 2 - SFO Taxicab Smart Card System ERG Transit Systems (USA), Inc.	09-0157	12
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## AIRPORT COMMISSION MEETING MINUTES

June 16, 2009

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Eleanor Johns  
Hon. Rich Guggenhime

Absent: Hon. Caryl Ito

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 2, 2009 were adopted unanimously.

No. 09-0145

\* \* \*

### D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

#### 1. Retirement Resolution - Baljit Boparai

No. 09-0146 Resolution thanking Mr. Baljit Boparai for 34 years of faithful service to the City and County of San Francisco.

Mr. John Martin, Airport Director said that Baljit is retiring after 34 years of dedicated service to the City, with 33 years at the Airport. He currently serves as the Airport Principal Engineer, and is the first Electrical Engineer to move up the ranks to become a Principal Engineer. He is recognized by his peers in the industry having served as the President of the Airfield Lighting Committee of North America for the Illuminating Engineers Society. He is a real leader in the industry and greatly recognized by his fellow employees for his dedication, loyalty and hard work and a very positive attitude in working with all of the employees at the Airport. We thank Baljit for his outstanding service.



Commissioner Mazzola congratulated Mr. Boparai.

Mr. Boparai thanked the Director for his kind words and the Commission for giving him the opportunity to convey his appreciation to a lot of people who have made this journey a fabulous one for so many years.

He thought about where it all really began ... it began on 4/4/64 which was the first time he landed at San Francisco International. His father, brother and Commissioner Darsing were the three people who came to see him at the Airport. He remembers the day was drizzling, and foggy. As they approached the parking lot he looked back at the old control tower. Having lived near an airport in India, he thought that one day he would work at SFO. The wish came true and thanks to all of the people at the Airport the journey has been fabulous.

He thanked the Commission for the guiding light they have provided; he thanked Director Martin for the impeccable management and the Senior Staff for all of the support they have given. Thank you very, very much.

Commissioner Mazzola wished Mr. Boparai much luck in his retirement.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

2. Retirement Resolution - Mr. John Ondo

No. 09-0147	Resolution commending John Ondo for fifteen (15) years of service with San Francisco International Airport.
-------------	---

Mr. Martin said that John is retiring after 15 years of service at the Airport working as a manager in the Security Access Office. Prior to that John worked for 28 years in the airline industry ... first for Western Airlines and then for Delta Airlines. John has been a key staff person in the Security Access Office following 9/11 and all of the improvements that had to be made. He has very positive relationships with the airlines, contractors, vendors at the Airport and has also promoted good will with his fellow employees and is greatly respected by his employees for his dedication. He thanked John for his great work and wished him luck in retirement.

Commissioner Mazzola congratulated Mr. Ondo.

Mr. Ondo thanked the Commission and Mr. Martin for the resolution and said that they have some very good employees at SFO and should be very proud of them.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:07 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:00 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

#### E. DIRECTOR'S REPORT:

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Opposition to the Proposed Increase in the BART Surcharge for Use of the Airport Station by Airport Employees and Authorizing the Director to Initiate Shuttle Bus Service To and From the BART Millbrae Station or the San Bruno Station Should the Director Deem Such Action Necessary

No. 09-0148

Report and possible resolution opposing the proposed increase in the BART Systems' Surcharge for the use of the Airport Station by Airport employees and authorizing the Director to initiate shuttle bus service to and from the BART Millbrae Station or the San Bruno Station should the Airport Director deem such action necessary.

Mr. Martin said that the Airport station is the only station in the BART system where there is a surcharge of \$1.50 each way... the only significant surcharge. The BART Board has approved an increase in that surcharge to \$4.00 each way. We view it as very unfair to the 27,000 employees at the Airport. It will result in a commuting employee paying \$2,000 a year for this surcharge. We view it as being unfair. The Airport has made a significant historical contribution to BART. We funded the Airport station at a cost of \$200 million. We pay \$14.8 million in annual debt service towards that and receive \$2.5 million in rent from BART.

The resolution before the Commission opposes the \$4.00 surcharge each way and authorizes staff to run a free shuttle bus to either the Millbrae or San Bruno station so that employees who work at the Airport can take this free bus to avoid the unfair surcharge. We hope that BART will change this policy and eliminate the surcharge as it affects employees who work at the Airport, perhaps while retaining the surcharge for passengers. The BART Board has a meeting scheduled for June 29 and we hope action will be taken before the July 1 increase takes effect.

Ms. Annie Kim, an organizer with SEIU Local 1877 representing approximately 2,000 employees at the Airport, about 700 of whom ride BART almost every day into the Airport. She introduced workers present today.

Ms. Maria Rosario Bugonia, a worker at SFO, said that BART is going to make it more expensive to get to work. Right now she and many of her co-workers pay over \$300 a month to commute to SFO, but on July 1<sup>st</sup> BART will make them pay almost \$500. She also takes SamTrans. Workers at the Airport already pay too much just to be able to get to work; they cannot afford to pay an extra \$200 a month like BART is demanding. They understand that BART would like to balance its budget but they should not expect people who work at the Airport almost every day to make up for BART's shortfall. The shuttle bus is not good enough for us. Tell BART to excuse the workers at SFO from the extra surcharge. Please continue to work with BART to come up with a solution.

Ms. Sonia Galang, working at SFO.

Ms. Marilyn Drunita, working at SFO for AirServ.

Ms. Chris Suzuki, San Mateo Labor Council.

Mr. Steve Pitocchi, SEIU Local 1021.

Mr. Whitfield McAteer, SEIU Local 1877 representative, thanked the Director for the shuttle bus saying it's a good interim fix for the problem, but urged the Commission to continue working with BART because it does not solve the problem for all Airport workers. The first BART train gets into the Airport at 5:15 and we have workers who start at 5:30. The first BART train into Millbrae gets in at 5:22. Even with the shuttle bus these workers will be late to work on a daily basis. There are workers who take the last BART train into work and sleep in the Airport on the chairs as homeless people so that they can be to work on time. The shuttle bus will help some people, but for those who work on the extreme end who get off at 11:45 and run to catch the last BART train, they are not going to have a way to get home unless something is worked out with that bus to connect with that BART train, or with their employers to get them off early. If they have to commute on a daily basis to Millbrae on a shuttle bus and they are not getting let off early to catch it they are going to be in a world of hurt to try to get home. He asked the Commission to work with the BART to try to resolve this. It is a good idea as an interim fix but in the long term it will cause a lot of problems. The Airport is 24 hour a day operation, and unfortunately BART is not.

Commissioner Mazzola said that beyond the resolution we are still meeting with BART to try to work something out.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Award Contract 8873BR - Building 575 Asbestos Abatement/Interior Demolition - Schembri Construction Company, Inc. - \$785,000

No. 09-0149

Resolution awarding Contract No. 8873BR, Building 575 Asbestos Abatement/ Interior Demolition to the lowest responsive bidder, Schembri Construction Company in the amount of \$785,000.

Mr. Ivar Satero, Deputy Director, Design and Construction said that this item awards Contract 8873BR to Schembri Construction Co. The work provides for the demolition/abatement of the hazardous building materials within Building 575 and will prepare the area for future renovation work to accommodate the relocation of Airport staff from the office block in Terminal 2 in support of the overall Terminal 2 Renovation Program. The relocation of Airport staff from Terminal 2 allows for the Airport to relocate FAA Administrative offices from the upper floors ... they are on floors 6 and 7 and will be moved to Floor 5 or below after we have vacated those spaces. This allows us to avoid costly upgrades to the office block. Our intent is to demolish that office block in the future as part of the replacement air traffic control tower program. We anticipate recommending the award of the Building 575 Renovation Project in September, which supports the overall Program Schedule for Terminal 2.

In response to the bid call for the rebid of Contract 8873B we received six bids. With the assistance of the City Attorney's Office we determined that the lowest bidder, MARCOR Remediation, was non-responsive to the bid call requirements, basically hinging on their failure to meet the bond requirements both in the amount and the form of the security.

They also appear to have fallen short of the HRC LBE requirements, although we didn't complete the determination by the HRC since their bonding issue was deficient. The Airport received a bid protest from Schembri Construction on these issues which staff and the City Attorney's Office determined to have merit. In response, we received a bid protest from MARCOR Remediation against Schembri protesting that they did not have the appropriate licensing to do the work. We reviewed Schembri's licensing and have determined that the licensing is appropriate and that the licensing is in accordance with the call for bids and therefore their protest is determined to be without merit.

Schembri is an HRC certified LBE firm and they qualify for a 10% bid discount. They have committed to achieving a 9.13% LBE subcontractor participation level, exceeding the 7% HRC goal.

Commissioner Crayton asked if all or just some of the bids were non-responsive



on the original bid.

Mr. Satero responded the four lowest bidders were non-responsive and there was a significant gap between that group of low bidders and the next group of bidders. With so many bidders not preparing the HRC documents appropriately we felt we needed to do a better job with that and we took the opportunity to recommend a rebid. We also added scope into the work to help expedite the work a bit so there is a couple of weeks delay in this contract.

Commissioner Crayton asked if MARCOR was also non-responsive at that time.

Mr. Satero responded that MARCOR was non-responsive in the original bid.

Commissioner Crayton asked if Schembri was non-responsive in the original bid.

Mr. Satero responded that Schembri was a much higher bidder in the first bid ... they were number five ... they were not in the non-responsive group.

Commissioner Crayton asked why Schembri didn't submit this bid the first time.

Mr. Satero responded that he felt there was just a real sharpening of their pencils. They want the job and they have another contract at the Airport so he felt they looked at it and came down about \$100,000.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

5. Authorization to Establish a Pool of Pre-qualified Firms to Provide International Strategic Marketing Services for Varied Scopes of Work for Overseas Locations

No. 09-0150

Resolution establishing a pool of pre-qualified International Strategic Marketing Firms consisting of the top five ranked respondents: Fleishman-Hillard, Hill & Knowlton, Molly Duggan Associates, Oneworld Communications and the San Francisco Convention and Visitor's Bureau.

Ms. Kandace Bender, Deputy Director, Communications and Marketing said that a little over two months ago we issued a request for qualifications seeking International Marketing Services. We wish to establish a pool of three to five firms from which we could draw for the next couple of years. We had six respondents. All six of them met the minimum qualifications so those submissions were then presented to an independent panel which consisted of an airline executive, an executive vice president for an online marketing firm, and a senior representative from the Airport's business development division. They were evaluated and we have selected five firms to be in that pool on an on call basis. Those five firms are Fleishman-Hillard, Hill & Knowlton, Molly Duggan and Associates, Oneworld Communications, the latter two being certified LBEs, and the San Francisco Convention and Visitor's Bureau. We are requesting that we establish this pool



and that the Commission allow us to move forward into negotiations for a scope of work for some or all of those firms in the next two years.

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

6. Partial Funding of up to \$450,000 for Palcare's Expansion Project to Provide Enhanced Childcare Services for Airport-based Employees

No. 09-0151

Resolution authorizing an agreement with the County of San Mateo to contribute up to \$450,000 to partially fund the expansion of Palcare's facilities in return for additional priority enrollment slots and enhanced childcare services for Airport families.

Mr. Leo Fermin, Deputy Director, Business and Finance explained that Palcare provides childcare services for employees at the Airport and for the larger community in the Peninsula. For the past 16 years the Airport has provided an annual subsidy for the children of Airport employees. In 1991, when San Mateo County purchased the building which now houses Palcare, the Airport Commission authorized a capital contribution of \$1,460,000 to renovate the first floor of the building for childcare use. Then in 1998 the Commission authorized a second capital contribution of \$676,000 to help renovate the second floor, however, the second floor renovation project was put on hold because of September 11<sup>th</sup> and the resulting downturn in airline traffic and the number of airline employees. Palcare now plans to resume this expansion project. Since Airport children constitute about 40% of the children served by Palcare, we are asking for approval to contribute up to 40% of the renovation costs, or \$450,000. Palcare plans to begin the renovation work this summer and complete it next year.

Commissioner Mazzola asked if this work falls under Davis-Bacon.

Mr. Ernie Eavis, Deputy Director, Facilities, responded that he was certain it is not Davis-Bacon, however, a lot of the money Palcare receives is from local unions and they have prevailing wage provisions. All of the work done previously has been done by union contractors.

Commissioner Mazzola said that he wants to know that if we are giving them money that they are following the same rules that others follow out here.

Commissioner Crayton asked if we will be guaranteed additional slots.

Mr. Fermin responded that currently Palcare guarantees 100 slots for Airport children and that will be increased by 32 more slots for this contribution.

Commissioner Crayton asked if they receive any rate differential or subsidy?

Mr. Fermin responded that we subsidize the cost for Airport children through various direct subsidies, scholarships and so on. The average Airport child costs about \$700 per month, but with the Airport subsidy it's about \$487, or 43% less.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 20, was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

7. Award Contract 8886 - Facilities Roof Repair - Pioneer Contractors Inc - \$326,000

No.09-0152                      Resolution awarding Contract 8886, Facilities Roof Repair, to the lowest responsive, responsible bidder, Pioneer Contractors, Inc., in the amount of \$326,000.

8. Award State Legislative Advocacy Contract - Edelstein, Gilbert, Robson & Smith - \$75,000

No. 09-0153                      Resolution awarding a new state legislative advocacy contract with Edelstein, Gilbert, Robson & Smith for \$75,000 a year, with an initial contract term of five years with two, two-year options at the sole discretion of the Airport Commission.

9. Award of the Snack and Beverage Vending Lease - North County Vending, Inc.

No. 09-0154                      Resolution awarding the Snack and Beverage Vending Lease to North County Vending, Inc., for a Minimum Annual Guarantee of \$137,500 for the first lease year.

10. Adoption of Pool List of Consultants for As-Needed Airport Planning and Management Services

No. 09-0155                      Resolution establishing a pool list of consultants for As-Needed Airport Planning and Management Services.

11. Adoption of Pool List of Consultants for As-Needed Environmental Planning and Management Services

12. Modification No. 2 - SFO Taxicab Smart Card System - ERG Transit Systems (USA), Inc. - \$240,000

No. 09-0157

Resolution approving Modification No. 2 to the existing SFO Taxicab Smart Card Systems Contract with ERG Transit Systems (USA) Inc., to extend the contract by two years to June 30, 2011, and increase the total contract amount by \$240,000 for a new total contract amount of \$595,000. The proposed not-to-exceed amount for FY09-10 is \$120,000.

Commissioner Johns said that it sounds like it's a successful program, but the company is not willing to support it any longer. What is that all about?

Mr. Tryg McCoy, Deputy Director, Operations and Security responded that it's a little complicated. ERG, the company that provides the taxi cab in and out fare collection system, is based in Belgium. The system was installed about two years ago and it has been very successful in terms of replacing the cashiers and the long line waits with an automated flash card system. It is working very well. Unfortunately, ERG, the company that developed the software, disbanded and broke off the US division and the software program won't be supported for more than a year or so. We are very actively looking for a replacement program that will replicate the same nice features that we have but with a different provider. ERG also does the customer service element. It's a help desk for problems such as issues with a fare collection device, etc. That is what we are funding here. We are actively looking for a replacement company and we will return to the Commission for authorization to go out to bid for that. Although this is a two year contract it will only last as long as this company is around.

Mr. Mark Gruberg said he does not use the Smart Card System. When it was put in a couple of years ago he looked at the contract cab drivers were being asked to sign and felt he would be signing his life away. He complained to the Commission but didn't get much sympathy so he decided not to participate in the system.

He hears tons of complaints from cab drivers over this system. He is surprised none are here ... probably because they don't have ready access to the agenda. He only heard about it this morning. The machines jam, there are problems at the gates, people have to wait inordinately long time to get their money back when they have lost it to the machine. If you have a problem that you need to solve immediately, like your card has been blocked and you can't get through the system, you have to go down this hugely long corridor and in the meantime you are losing your time, your cab is parked where it may be in the way and it is just an enormous hassle. Before renewing this contract the Commission should take a much closer look at the systems that are involved.

13. Modification No. 4 to Marc Associates Contract for Ongoing Communication Services with the Congressional Delegation in Washington, DC - \$75,000

No. 09-0158

Resolution approving Modification No. 4 to Marc Associates contract (now doing business as Knight & Holland) to continue ongoing communications with the Congressional delegation in Washington, D.C., for the term of July 1, 2009 to June 30, 2010 in the amount of \$75,000.

Commissioner Crayton understood that in 2004 we wanted one firm to represent us with the Congressional Delegation. She assumed that the Mayor's office pays them one amount and we pay them another amount.

Ms. Cathy Widener, Governmental Affairs, responded that they have a contract with the Mayor's office as well.

Mr. Martin said that when he visits with members of the California delegation in Washington he works directly with Marc & Associates. Smith, Dawson & Andrews represents us on broader aviation issues.

14. Bid Call - Contract No. 8351C - Airfield Drainage Improvements

No. 09-0159

Resolution approving the scope, budget, and schedule for Contract No. 8351C, Airfield Drainage Improvements, and authorizing the Director to call for bids when ready.

15. Bid Call - Contract No. 8408 - International Terminal Public Information Display Upgrade

No. 09-0160

Resolution authorizing a bid call for replacement of 220 public information display screens in the International Terminal to improve reliability and upgrade to the latest technology liquid crystal displays (LCD). The new screens are for flight information (FIDS), and gate information (GIDS).

16. Lease with the United States of America for Placement of Explosives Storage Magazines for the National Explosives Detection Canine Program at Plot 50-DJ

No. 09-0161

Resolution approving a lease HSTS02-09-A-CAN348 with the United States of America for land to be used by the U.S. Transportation Security Administration for placement of national explosives detection canine program explosives storage magazines.



17. Agreement with the County of San Mateo for Services Provided by the Airport/Community Roundtable - \$125,000

No. 09-0162                      Resolution authorizing an Agreement with the County of San Mateo for services provided by the Airport/Community Roundtable during the period of July 1, 2009 - June 30, 2010, in an amount not to exceed \$125,000.

18. Commence a Competitive Selection Process for the Internet Kiosk Lease

No. 09-0163                      Resolution approving the proposed minimum qualifications requirements and lease specifications, and authorizing staff to commence a competitive proposal process, and conduct an informational conference for the Internet Kiosk Lease.

19. Exercise the Two-Year Option to Extend the Term of Zoom Systems, Inc.'s Retail Vending Lease No. 05-0007

No. 09-0164                      Resolution exercising the two-year option to extend Zoom Systems, Inc.'s Retail Vending lease No. 05-0007, for an option term of January 1, 2010 through December 31, 2011 under the existing terms and conditions.

20. Lease Renewal at 1828 El Camino Real, Suite 705 with Independent Holding, LLC to Accommodate Community Roundtable Activities

No.09-0165                      Resolution approving a renewal lease with Independent Holding, LLC for approximately 1,433 square feet of office space at the Peninsula Professional Center located at 1828 El Camino Real, Burlingame, CA with a term of five years.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.



Mr. Martin left the Commission meeting at this time to attend a 10:30 department head meeting.

Mr. Steve Pitocchi, SEIU Local 1021, thanked the Director and his staff for meeting SEIU's request for meeting rooms regarding education and vote over the amendment to our contract to help the City with its financial crisis. He wanted to bring their appreciation to the Commission's attention.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

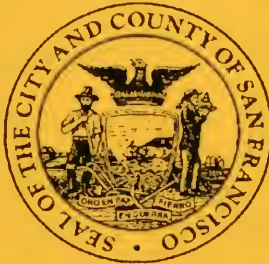
L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:27 A.M.

Original Signed by Jean Caramatti

Jean Caramatti  
Commission Secretary

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

July 7, 2009

9:00 A.M.

Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

President

**LINDA S. CRAYTON**

Vice President

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

Airport Director

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Minutes of the Airport Commission Meeting of  
July 7, 2009

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12.	Award Terminal 3 Concourse Specialty Store Lease - Air Sun, a J.V. of Sunglass Hut Trading, LLC and Corliss Stone-Littles, LLC	09-0176	11
13.	Authorization to Issue a RFP for Sleep Units Lease	09-0177	11-12
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## AIRPORT COMMISSION MEETING MINUTES

July 7, 2009

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenheim

\* \* \*

### M. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:06 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

The Commission reconvened its public session at 10:16 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

### I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was removed from the calendar.

#### 6. Proposed Revisions to the Airport Quality Standards Program

Resolution approving the revisions to the Airport Quality Standards Program for airlines and airline

service providers and authorizing implementation of the new Quality Standards Program, effective January 1, 2010.

Mr. Martin apologized, saying that Item No. 6 would be put over to an August meeting. We are working to insure that no existing employees covered by the QSP suffer a loss in wages or in compensation. He explained that employees who are currently receiving \$1.25 an hour by opting out of the healthcare will not lose that \$1.25 an hour provided that they can demonstrate that they have health care coverage. He does not think that employees who cannot demonstrate that they have insurance would be protected from that loss. We will work toward ensuring that existing employees do not suffer a loss in wages or that form of compensation, and we will return to the Commission in August.

Commissioner Mazzola said that this is a very complicated issue and we want to get it right. We don't want anyone to suffer any losses. The Director has agreed to try and fix that loophole.

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 16, 2009 were adopted unanimously.

No. 09-0166

\* \* \*

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Retirement Resolution - Aileen Fokes

No. 09-0167

Resolution thanking Aileen Fokes for more than 25 years of faithful service to the City and County of San Francisco, all of which have been at San Francisco International Airport.

Mr. John Martin, Airport Director said that Aileen Fokes is not here today. Aileen is retiring after 25 years of service working in the Airport's Communication Center as a Senior Dispatcher and a shift supervisor. She is an outstanding employee who trained many dispatchers over the years. For many years she volunteered as a Combined Charities Captain and also served as the department's Safety Coordinator. We thank Ms. Fokes for her outstanding and dedicated service over the last 25 years.

Commissioner Mazzola congratulated Ms. Fokes on her retirement.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

2. Dedication of the Terminal 3 Hub in Honor of Congressman Tom Lantos

No. 09-0168

Resolution approving the dedication of the Terminal 3 Hub to Congressman Tom Lantos and naming said area the "Congressman Tom Lantos Hub."

Mr. Martin said that Congressman Lantos served for 27 years representing San Mateo County and a portion of San Francisco in an area that included the San Francisco International Airport. In recognition of his outstanding service as a Congressperson and an international leader we would like to name the Hub of Terminal 3 for Congressman Lantos. A bas relief, similar to the one of Henry Berman in the International Terminal, will be placed at the entrance to United's Red Carpet Club.

Commissioner Crayton said that Congressman Lantos is deserving of this honor and she is particularly happy to be on the Commission to vote for this approval.

Ms. Shelley Kessler, San Mateo County Labor Council said she worked with Tom for over 20 years on issues involving the Airport and she thinks it is wonderful of the Commission to do this. He deserves the respect and the honor. She asked that his staff, who still meet regularly, be sent a copy of the resolution.

\* \* \*

E. PUBLIC HEARING:

The Public Hearing was convened at 11:25 AM and adjourned at 10:33 AM, there being no further public comment. Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

3. Hearing on Proposed Changes to the Airport's Rules and Regulations

No. 09-0169

Hearing and resolution adopting proposed changes to the Airport's Rules and Regulations by adding Section 1.11.3(E) "Tenant Trip Reduction Program - Commuter Benefits Program."

Mr. Martin said that this will conform to the Board of Supervisors and Mayor's requirements that all businesses in San Francisco offer a Commuter Check Program. This pretax benefit for employees is also a benefit to employers because it reduces their tax obligation. The Chamber of Commerce reports that the City requirement has overwhelming support from businesses in San Francisco because they have benefitted from this program financially.

Mr. Tryg McCoy, Deputy Director, Operations and Security explained that the new rule is modeled after the City and County of San Francisco Commuter Benefits Ordinance passed by the Board of Supervisors on August 8, 2008. Both the City's

Ordinance and this proposal take advantage of an existing Federal tax law that allows employers to deduct as a business expense qualified transportation benefits that the employer provides. The law also benefits employees by allowing them to purchase qualifying transit passes or reimbursement for van pool expenses up to the current maximum of \$230 per month with pretax dollars. So it's a win-win proposal that allows both the employers to reduce their payroll tax and employees to use pretax dollars to reduce their commute to work costs while utilizing public transit.

The proposed amendment to the Tenant Trip Reduction Section of the Airport's Rules and Regulations will require employers with 20 or more employees to implement a commuter benefits program within six months of adoption of this proposal. The rule will cover employees working at least 10 hours per week, so full time and the vast majority of part time employees will be covered. Covered employers must provide at least one of the following commuter benefit programs as part of the amendment to the Rules and Regulations for all employees. They need to offer a pretax transit election program, an employer paid public transit benefit, or an employer provided transit program. The pretax program can be utilized on MUNI, BART, Amtrak, CalTrans, SamTrans, Golden Gate Transit or van pool.

The City and County of San Francisco has offered this program for many years to all Airport Commission employees. Last month with the assistance of the San Francisco Chamber of Commerce, Airport staff held three meetings with SFO employers to explain the program. To insure employer compliance, Appendix C, the Fine Schedule of the Airport Rules and Regulations, includes a \$200 per day fine for failure to submit a trip reduction program, or a program update as required, and a separate \$200 per day fine for failure to implement this new program within six months.

Commissioner Ito asked how this will be monitored.

Mr. McCoy responded that this will be monitored through the Airport's Landside department. A trip reduction coordinator, similar to what we have with the QSP Coordinator, will be responsible for this program. All employers will have to submit their program to that department as part of compliance. It will also be part of our New Tenant Orientation.

Commissioner Guggenheim noted that fines could come to \$5,600 a month.

Mr. McCoy said that it saves the employer on their payroll tax, so it is an incentive both ways to do this.

Mr. Stuart Baker, Accor Services/Commuter Check said that the savings to employers is about \$20 per participating employee on payroll taxes, and to those same participating employees the savings is up to 40% of their transit costs. For example, the savings for an employee taking BART to work at a cost of about \$230 per month would be about \$100 per month. That's why the Chamber of Commerce, the Golden Gate Restaurant Association and the Union Square Business Association all support the San Francisco Transit Benefit Ordinance. He

is also working with the City of Richmond which is likely to pass the ordinance at their City Council meeting tonight, and Berkeley which will hopefully pass their ordinance in September. He is also working with the County of Sacramento and different civic groups in Chicago. It's a very popular concept; very environmental. There is no excessive burden for employers and that is the reason why the business community has supported it in the way that it has.

\* \* \*

#### F. DIRECTOR'S REPORTS:

##### 4. Application of the BART Airport Surcharge of \$4.00 Each Way on Employees - verbal report

Mr. Martin said the \$4.00 per trip surcharge went into effect on July 1, 2009. For an employee commuting to the Airport this translates to an additional \$2,000 per year ... a very unfair and unjustified burden on our employees. We are running a shuttle bus to the Millbrae Station with ridership at about 500 per day. We have received many compliments from employees grateful for the help and support. We are continuing discussions with BART. We want this surcharge lifted, and at an absolute minimum no more than the \$1.50 surcharge that was in effect prior to June 30<sup>th</sup>, 2009. For example, the round trip fare from 16<sup>th</sup> & Mission is \$8.10 without the surcharge ... with the surcharge it is \$16.10. BART has offered a 25% discount but that would still mean that an employee commuting from 16<sup>th</sup> & Mission would pay \$12.08 a day versus what should be \$8.10. We view this as unfair. We will keep you informed of our continuing discussions with BART.

Mr. Whitfield, SEIU, said that he has provided the Commission with letters collected from 1<sup>st</sup> when the surcharge went into effect. He thanked the Commission for the shuttle bus. While it does help to alleviate some of the problems, not all workers are able to use it due to the operating hours, employee start and stop times, and the fact that BART doesn't run 24 hours a day. However, the problem remains that employees who work an 8 hour shift at the Airport pay \$1.00 an hour to come to work. They have employees who have been fighting for three years for a 25 - 35 cent salary increase and have been told that their wages have been frozen, and in less than 30 minutes BART hit them with what amounts to a \$1.00 per hour reduction in their salaries. They cannot survive. Employees are struggling just to come to work every day. Anything the Commission can do to remove the surcharge would be appreciated greatly.

Commissioner Mazzola noted the petitions Mr. Whitfield submitted.

Mr. Whitfield responded that they have additional petitions and they are going to the BART Board of Directors. The workers are very upset about this. These petitions (on file with the Commission Secretary) were collected in two days.

Commissioner Crayton said that is what we want.

Ms. Shelley Kessler said that the San Mateo Labor Council represents 110 unions and about 70,000 workers in San Mateo County. They have received numerous



complaints about the surcharge and they have communicated with the Airport Director and staff regarding how they can of assistance to try to eliminate it. At this time when unemployment in the State of California is over 11% and people need their jobs desperately in this economic crisis, to burden them with an additional \$4 - \$8 a day just for the privilege of being able to have a job is really inappropriate. They wrote to the BART Directors and told them that people should not be penalized for the ability to go to work and that this should be eliminated.

The other issue is the percentage drop ... currently that's for airline employees and does not impact all the other employees for whom there is not a discount. And in particular for people who do not qualify under the Quality Standards Program, those individuals in food service, retail, and in janitorial and some of the other job classifications, this is a tremendous hit on their salaries. Those people that are not in QSP that do not have those higher wage standards for doing security related issues, those are some of the lowest paid and some of them are not in unions and they don't even have those protections for their wages and benefits as well. For employees, whether they are in a union or not, we are very concerned that this surcharge is a terrible burden on them ... across the board thousands of workers are detrimentally impacted by this surcharge. They stand ready to do whatever they can to assist in eliminating the surcharge and to see if there is something that can be set up to assist the Airport so that employees don't have to go to Oakland to access the discount. Employees come from the nine Bay Area Counties to work at SFO and they are very appreciative of Director Martin's offer to bring some of that in-house so employees don't have to travel to access that benefit.

Mr. Tim Paulson, Executive Director, San Francisco Labor Council, echoed Shelley's comments. He submitted a letter to BART on behalf of the Council, with copies to the Commission and Director Martin. He thanked Director Martin for his great diligence on this issue. He wanted to be on the record that the Council finds this extra fee on workers to be appalling, and anything that you need us to do, and anything that you can do to influence that decision would be greatly appreciated.

Commissioner Guggenhime said that he wanted everybody here to know that this is something that all of us have thought a lot about and we are 100% in agreement. We've spent a lot of time talking about it. Having been born and raised in San Francisco he finds this action unconscionable, especially as it applies to people who are being penalized for working at the Airport. Hopefully, with all of the various entities and individuals pressuring their friends and people involved with BART they will see fit to change this.

\* \* \*

#### G. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### H. POLICY:

Item No. 5 was moved by Commissioner Johns and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

5. Passenger Facility Charge Increase

No. 09-0170

Resolution urging Congress to authorize airports to impose a Passenger Facility Charge (PFC) of up to \$7.50, with indexing for inflation.

Mr. Martin asked for the Commission's support in urging Congress to authorize an increase in the PFC cap. PFCs have been capped at \$4.50 since April, 2000. In that time our construction costs have increased almost 90% yet we have not been able to index this. We are seeking to raise the cap to \$7.50 and provide for an annual indexing factor. This will increase our PFC revenue from about \$70 million a year up to \$110 - \$115 million and will go a long way toward future investments in capital projects. The House of Representatives has approved an increase to \$7.00; the U.S. Senate is now considering the FAA Re-authorization Bill that includes reference to the PFC. That's where we are focusing our efforts. He will be traveling to Washington next week to support efforts to increase the PFC.

Commissioner Guggenheimer asked how we compare with other airports.

Mr. Martin responded almost all big airports are at \$4.50. Houston is the only one that comes to mind that is at \$3.00. Even San Jose and Oakland are at \$4.50.

\* \* \*

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 15, was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

7. Authorization to Issue a Request for Qualifications for Design-Build Services Contract No. 8933 - As-Needed Baggage Handling Systems Improvements

No. 09-0171

Resolution authorizing the Airport to issue a Request for Qualifications for Design-Build Services for Contract 8933, As-needed Baggage Handling System Improvements in the amount of \$1,000,000 for the first year of services, with two (2) one-year options.

8. Award a Ground Lease to Linde LLC for an Advanced Fueling Facility for Hydrogen-Powered Vehicles - Linde LLC

No. 09-0172

Resolution awarding a ground lease to Linde LLC for an advanced fueling facility for hydrogen-powered vehicles.

Mr. Robert Boyd , Linde LLC, said that they are pleased to be involved in this project with SFO and the Hythane Company. Linde will be providing hydrogen to the Hythane project and we will also provide a compact transportable hydrogen vehicle fueling station which will serve as an anchor point and a waystation for fuel cell vehicles based in Northern California and the Sacramento area.

9. Award a Ground Lease to the Hythane Company for a Hythane Vehicle Fueling Facility - Hythane Company

No. 09-0173                      Resolution awarding a ground lease for a vehicle fueling facility dispensing Hythane fuel, a proprietary blend of hydrogen and compressed natural gas (CNG).

Mr. John Nadeau, representing Hythane Company, thanked the Commission for supporting alternative fuel projects at the Airport. By using hythane fuel we get an 8% reduction in carbon dioxide, 12% in carbon monoxide, 47% reduction in total hydrocarbons, and 43% in non-methane hydrocarbons and this is all compared to a natural gas baseline. The 27 vehicles for this project will be replacing diesel vehicles so the actual benefits will be even greater.

10. Authorize an Other Transaction Agreement (OTA) with the Transportation Security Administration (TSA) for the Airport Surveillance Program - Up to \$5 million

No. 09-0174                      Resolution authorizing an OTA with the TSA for the Airport Surveillance Program in an amount up to \$5 million.

11. Reject All Bids - Contract No. 8663 - Runway 1R-19L Overlay and Reconstruction

No. 09-0175                      Resolution rejecting all bids for Contract No. 8663, Runway 1R-19L Overlay and Reconstruction.

12. Award of the Terminal 3 Concourse Specialty Store Lease - Air Sun, a Joint Venture of Sunglass Hut Trading, LLC and Corliss Stone-Littles, LLC

No. 09-0176                      Resolution awarding Terminal 3 Concourse Specialty Store Lease to Air Sun, a joint venture between Sunglass Hut Trading, LLC and Corliss Stone-Littles, LLC, for a minimum annual guarantee of \$150,000 for the first lease year.

13. Authorization to Issue a Request for Proposals for the Sleep Units Lease

No. 09-0177                      Resolution approving the revised minimum

qualification requirements, lease specifications, and proposal requirements, and authorizing staff to accept proposals for the Sleep Units Lease.

14. Authorization to Accept Bids for the Pay Phones Lease

No. 09-0178

Resolution approving minimum qualifications requirements and lease specifications, and authorizing staff to accept bids for the Pay Phones Lease.

15. Authorization to Enter into a Ten-Year Agreement with the County of San Mateo Designating the City and County of San Francisco as the EMT-Paramedic Service Provider for San Francisco International Airport

No. 09-0179

Resolution authorizing the Airport Director to enter into a ten-year agreement with the County of San Mateo designating the City and County of San Francisco as the EMT-Paramedic Service Provider for San Francisco International Airport.

\* \* \*

K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak.

\* \* \*

L. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:45 A.M.

**Original Signed by Jean Caramatti**

Jean Caramatti  
Commission Secretary





# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**July 21, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICHARD J. GUGGENHIME**

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Minutes of the Airport Commission Meeting of  
July 21, 2009

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## AIRPORT COMMISSION MEETING MINUTES

July 21, 2009

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Richard J. Guggenhime

Absent: Hon. Linda S. Crayton, Vice President

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 7, 2009 were adopted unanimously.

No. 09-0180

\* \* \*

### D. DIRECTOR'S REPORT:

#### 1. LBE Participation Report - Verbal Report

Mr. John Martin, Airport Director said that Sandra Crumpler will provide the report. He is sorry Commission Crayton isn't present as she asked for the report. In addition to Sandra's report, Ivar Satero will also provide an update in his presentation on LBE participation on Terminal 2.

Ms. Sandra Crumpler, Manager, Small Business Affairs, said that the report before the Commission is a summary of the contractors by name, ethnicity and dollar amount. This report covers 2007 - 2009. The first column "C" is for Construction and "PS" is for Professional Services. The contractors were listed to show when they were awarded contracts as a sub, which is indicated by "S", and "P" is for Prime. The asterick by the name shows that they received more than one contract. Commissioner Crayton wanted to know gender and ethnicity, and that information was verified with the Human Rights Commission.

"OBE" on Page 3 stands for "Other Business Enterprise" and those are businesses that are not minority or women owned. That represents a total of 40



firms, and indicates close to \$10 Million. This information just includes awards. Many firms are receiving more with modifications.

The last page provides a list of graduated LBE firms ... Proven Management, Barrie Electric and J&B Construction Company were listed as LBE firms in past years and now they are working on Airport contracts as primes or subs. We can't count them towards the LBE goal.

Commissioner Mazzola said that he is confused about a subcontractor also being a prime contractor.

Ms. Crumpler responded not at the same time. They can be a prime on one contract and a sub on another.

Commissioner Mazzola said that he comes from a subcontractor background and he thinks that these people can only do one thing. They learn plumbing and they are experts at that. If you ask a plumbing contractor to be a prime he did not think that they would do very well. But this goes on a lot at the Airport.

Ms. Crumpler responded that it depends on the type of work that you know. They could be a general contractor. They can have two or three licenses to do different work. Barrie Electric has served as a sub and as a prime when the major part of the contract was electrical work.

Commissioner Mazzola said that it was confusing. He knows that we have people looking to be sure the work we are getting is skilled. He isn't worried about that.

Mr. Ernie Eavis, Deputy Director, Facilities said that often when we let contracts, many of the larger ones require an A or B license ... A is engineering, and B is architectural. In a smaller contract, where there is only one type of work, the contractor would be a prime because that's the only type of work there is; on a larger contract that same work would go to a sub.

Commissioner Ito, with regard to contracts with Women Business Enterprises and ethnicities, she counts 10 contracts for women owned businesses, with three going to women of color. Are we seeing a drop in terms of overall participation from women owned businesses, and the ethnic representation based on what we were accomplishing in the former analysis.

Ms. Crumpler responded that we are seeing a drop in contracts going to women and African American contractors.

Commissioner Ito asked Ms. Crumpler if she has run comparisons comparable to some of the larger departments such as the PUC that are issuing contracts. How do we compare with other major departments in terms of these percentages?

Ms. Crumpler said that she is a member of the California Unified Certification Program. There are about 20 agencies ... MTA, BART and other agencies ... and we are all noticing a drop in the certification. That is because the personal net worth value of \$750,000 is causing a lot of contractors to drop out of the market

for certification. They can no longer be counted towards meeting the goal. We are all noticing a drop in these figures. Some feel that the paperwork is not worth going through the certification process.

Commissioner Ito asked what percentage the \$9 million represents to the overall contracts issued during this period. It appears to be very little.

Ms. Crumpler responded that the data presented to the Board of Supervisors said 11%. Several things happened in that data ... the Airport had several large maintenance contracts (elevator/escalator maintenance contracts) and they also included Federal dollars which should have been extracted. We never received a report, although we asked the HRC for a copy.

Commissioner Ito said that she would be interested in the comparison.

Ms. Crumpler responded that she can look at that for the future.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

##### 2. Award Trade Bid Package Set No. 4 to Contract 8757A - Design Build Services for Terminal 2/Boarding Area D Renovations - Turner Construction Co. - \$62,418,631

No. 09-0181	Resolution awarding Trade Bid Package Set No. 4, for various scope of work to Contract 8757A, Design-Build Services for Terminal 2/Boarding Area D Renovations with Turner Construction Co. in the amount of \$62,418,631.
-------------	--

Mr. Ivar Satero, Deputy Director, Design and Construction briefed the Commission first on the LBE and San Francisco-based firm participation program.

In order to increase the participation of San Francisco firms in the Terminal 2 Renovation Project we developed a local firm participation program specifically related to the T2 program. We developed eight different strategies with Turner Construction to ramp up our inclusion of LBE's with an attempt to exceed the goal that had been established by the HRC, as well as develop a separate goal for just San Francisco firm based non LBE participation.

We do competitive bidding of all these trade bid packages so we had various

strategies that took advantage of that. For instance, we committed to having a minimum of two San Francisco bidders on every trade bid package. Another strategy was to pre-qualify only San Francisco firms on select trade bid packages. Third was to split up scopes of work to provide more opportunities, for instance drywall. That was broken into three or four packages instead of one package. The resulting smaller size packages opens the field to smaller firms and provides additional participation. We also committed to developing small general contractor type packages which would then allow for small general contractor LBEs to compete on those packages as well. There is a 7.5% negotiated allowance that the contractor can use, and we've committed to using at least 50% of that to negotiate with San Francisco based and LBE firms. Strategy six was to facilitate joint ventures between larger graduate firms and small LBE firms so they could be competitive on trade bid packages. We also included allowances in certain trade bid packages for undefined related scope in those packages that have been awarded to LBEs and San Francisco firms. The last strategy was to work with certain firms and the HRC to accelerate the review process for re-certification. A number of firms had graduated from the program so we worked with the HRC to recertify them quickly so they could benefit from the Terminal 2 bidding.

Based on these strategies we worked with Turner to set new goals, and the new goals that we set were a goal of 17% for LBE, where the contract goal was 15%; and we set a 25% goal for all San Francisco based firms. These were very conservative estimates at the time.

Turner is currently achieving 13.2% LBE participation. With future trade bid packages we anticipate achieving in excess of 20% LBE participation. A lot of the scope to be bid in the future is architectural finishes and opportunities exist in those packages for LBE firms. We believe a 20% goal is achievable for LBE firms.

We are currently achieving 39.5% total San Francisco firm participation, and we believe that with these strategies we'll achieve just over 40%. There is about \$90 million left to bid under the project.

Commissioner Guggenhime understood that the goal for local is 25%, but we believe that we will hit close to 40%.

Mr. Satero responded for all San Francisco firms is 40%.

Commissioner Guggenhime said that the LBE total is at 13%, and will be at 20%.

Commissioner Ito asked if the \$90 million is in addition to the \$62 million that we are dealing with on this item.

Mr. Satero responded that it is in addition to the \$62 million. The \$90 million is the remaining buyout of all the trade bid packages over the next two to three months.

Commissioner Ito thought that this is a remarkable goal. She thanked Mr. Satero.

Mr. Satero, with respect to Item No. 2, that we are requesting award of Trade Bid Package Set No. 4 to Turner Construction in the amount of \$62,418,631 for a new

total contract amount of \$226,105,360. This modification provides for various scopes of work including structural steel, concrete, special systems, conveyances, electrical and mechanical equipment procurements, exterior wall and glazing systems. As required by the Administrative Code, most of the majority of these packages were bid to a minimum of three pre-qualified bidders. Also, as allowed by the Administrative Code, the remaining packages were negotiated directly with firms both to achieve improved LBE participation as well as for certain software packages to ensure compatibility and integration with existing Airport systems.

Staff has reviewed the low bids for the competitively bid trade bid package and we have determined that the bidders are responsive and that the prices are appropriate and reflect the agreed upon scope of work. We have also reviewed the scope and cost of the negotiated work and have also determined that the costs are reasonable and the scope of work correlates appropriately with the scope of work. This award is within the overall budget for these services ... in fact it is \$600,000 below the engineer's estimate. He noted that in Attachment B, you will see that some of the engineer's estimates match the low bid. Our process is such that we update the estimate fairly frequently and when we do an estimate update we include in the estimate any packages that have been bid and determined to be a low bidder. What you are seeing is this difference between what the 50% CD's packages bid after the 50% CD estimates, versus packages that bid after the 100% CD's estimate. That is why those numbers match.

A couple of things to note ... several of the mechanical packages we received only one or two bids on. These were all advertised and competitively bid and only one or two suppliers opted to bid these packages. What we found was the specialized nature of these chiller boiler packages that required a skid as part of the package, Cal Hydronics was the only one available to bid that. There was interest but because of the skill requirement we only received the one bid. However, the costs are competitive and in line for what we had anticipated for that work.

We also received one bid on the elevators. Basically, that was driven by an existing condition. The elevation and structural configuration of the roof is set. Below that is the mezzanine that will be constructed that has to be at the same level as the AirTrain bridge. So, that had a defined space which the elevators had to fit within. Kone is the only supplier that had a product that would fit within that space so that is why you see no bid for the other three suppliers. Again, the Kone bid is competitive and below what we had anticipated for that scope.

With these bids we are forecasting a cost at completion of the total project of \$383.5 million versus the budget of \$383 million, so essentially we are on budget. We continue to maintain the appropriate cost contingencies for this stage of the project and again, there is \$90 million remaining to bid, so we have bid \$150-160 million in directs.

Mr. Satero stated too confusing you know I guess.

Item No. 3 was moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.



3. Authorization to Enter into a Funding Agreement with Starwood Capital Group to Purchase the Entire 7.1 Acres of Wetland Creation Credits at Deepwater Slough for a total amount not-to-exceed \$3,550,000

No. 09-0182

Resolution authorizing the Airport Director to enter into a Funding Agreement with Starwood Capital Group to purchase the entire 7.1 acres of wetland creation credits at Deepwater Slough for a total amount not-to-exceed \$3,550,000 as mitigation for wetlands filled for Airport Master Plan, Airfield Improvements Project and for future projects.

Mr. Martin said that Jim Ilnicki is acting as Planning Deputy Director. He is grateful that Jim stepped into this job to help us out for this short time. He will provide the explanation.

Mr. James Ilnicki, Acting Deputy Director, Planning in May of 2008 the Airport Commission authorized the Airport Director to purchase 6 acres of wetlands from Starwood Capital Group. Of this, 5.8 acres was needed to fulfil the Airport's final outstanding requirements to mitigate wetlands that had filled in as part of its Master Plan and as part of other airfield improvements. The purchase price approved by the Commission was \$550,000 per acre, for a total of \$3.3 million.

Starwood has offered to sell all of its wetlands and the Airport wishes to purchase. That would increase our purchase from 6 acres, as previously approved, to a total of 7.1 acres. The Airport has negotiated a lower price per acre should this Commission decide to approve this purchase. The newly negotiated price would be \$500,000 per acre, for a total cost of \$3,550,000. Through this expanded purchase the Airport would have fully developed wetlands immediately available for future mitigation needs. In addition to this the San Francisco Public Utilities Commission has asked to purchase a small portion of this for some mitigation needs that they have. Accordingly, the Airport recommends that the Airport Commission authorize a purchase of the entire 7.1 acres of wetlands area in the Deepwater Slough of Redwood City for a price not to exceed \$3,550,000, and that you further authorize us to sell .323 acres to the San Francisco Public Commission at cost.

Commissioner Ito asked what is our obligation to own this property for the mitigation agreement.

Mr. Nixon Lam, Planning, responded that we are not purchasing ownership of the property, we are purchasing the wetland value. At the time that we purchase that value Starwood would transfer the property to the National Wildlife Refuge and it will be protected in perpetuity under the Fish and Wildlife Service Program.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 7, was moved by Commissioner Johns and



seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Award Contracts for As-Needed Executive Search Firms - Contract 8934 to Ralph Andersen & Associates; and, Contract 8874 to CPS Human Resource Services - Not-to-Exceed \$300,000

No. 09-0183A

No. 09-0183B

Resolutions awarding Contract 8934 to Ralph Andersen & Associates; and, Contract 8874 to CPS Human Resource Services, and for as-needed Executive Search Firms for hard-to-fill executive and airport specialized positions in a total combined contract amount not-to-exceed \$300,000.

5. Authorization to Issue a Request for Proposals and Conduct a Competitive Selection Process for Contract 8841 for Procurement of a Ground Transportation Automated Vehicle Identification Management System

No. 09-0184

Resolution authorizing staff to issue a Request for Proposals and conduct a competitive selection process for a qualified vendor to provide a new Ground Transportation Automated Vehicle Identification System that will provide hardware and software to track commercial vehicle activity and provide data for management and billing purposes; and authorizing staff to negotiate with the most responsive, responsible and highest ranked proposer.

6. Modification No. 1 to Contract No. 8765 - Perimeter Security Pilot Project - Quatrotec - \$25,000

No. 09-0185

Resolution approving Modification No. 1 to Contract 8765, Perimeter Security Pilot Project to Quatrotec in the lump sum amount of \$25,000.

7. Modification No. 5 to Smith, Dawson and Andrews Contract to include an additional \$25,000 for Subcontractor to Deal Directly with the Federal Transit Administration for the Current Contract Year of July 1, 2009 thro June 30, 2010

No. 09-0186

Resolution approving Modification No. 5 to add \$25,000 to the Airport's current contract with Smith, Dawson and Andrews, bringing the current contract amount from \$200,000 to \$225,000 for the period of July 1, 2009 through July 1, 2010 to allow for subcontractor work specifically on Airport issues before the Federal Transit Administration.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:39 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:52 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:53 A.M.

  
Jean Caramatti  
Commission Secretary

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**August 4, 2009**

**9:00 A.M.**

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**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

President

**LINDA S. CRAYTON**

Vice President

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128**



Minutes of the Airport Commission Meeting of  
August 4, 2009

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## AIRPORT COMMISSION MEETING MINUTES

August 4, 2009

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns

Absent:	Hon. Rich Guggenheim
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\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 21, 2009 were adopted unanimously.

No. 09-0187

\* \* \*

### D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito asked how the outreach meetings are going for Terminal 2 concessions.

Mr. Leo Fermin, Deputy Director, Business & Finance said that we have had one outreach meeting so far with a total of 90 persons attending, and representing about 40 companies. Two more outreach meetings are scheduled during the month of August.

Commissioner Ito wondered if the economy is discouraging new entrants or are we primarily getting people already doing business here.

Mr. Fermin responded that we have had some new parties show up. We have mailed out information packages to about 2,000 names on our mailing list. Of that number, approximately one third to one half of the names on that list are new.

Mr. Martin added that there is greater interest in the food and beverage side. Staff is still doing research on the retail side trying to get local retailers.

Commissioner Crayton asked what is happening with employee ridership on BART and

how is it affecting our revenue.

Mr. Martin responded that we are realizing about 850 riders per weekday on the shuttle, or 425 people. That represents about 40% of the total employees who ride BART.

Mr. Tryg McCoy, Deputy Director, Operations and Security responded that it's about 80% of the employees that were riding BART ... about 850 per weekday and about 350-400 on the weekends.

Mr. Martin responded that we will need a few more weeks to look at the revenue data. We may see an increase in parking revenue from riders who have abandoned BART.

\* \* \*

#### E. POLICY:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

##### 1. Adoption of the Airport's Revised Debt Policy

No. 09-0188

Resolution approving the Airport's Revised Debt Policy.

Mr. Fermin said that the Commission approved the Airport's Debt Policy in December 2006. That Policy contains Appendix A (Interest Sway Policy) and Appendix B (Credit Policy.) The Credit Policy establishes a strategy of best practices to help the Airport achieve the highest possible credit ratings and maintain ongoing relationships with the financial and credit markets. Appendix C (Investment Policy) mirrors the City's investment policy. We are now proposing updates to the Debt Policy and Appendices A and B. The Airport's Financial Advisory Committee has reviewed and approved these updates.

These updates primarily relate to: Procedures for tax compliance, clarifications but not changes to procedures use for issuing bonds, clarifications for taking corrective actions required because of changes in the financial markets, additional considerations to evaluate when issuing bonds or entering into swaps and, updating operational information in the credit strategy such as air traffic statistics and the Five Year Capital Plan information. We expect to return to the Commission in about 3 years for another round of ongoing updates to the policy.

Commissioner Mazzola said that news reports speak of bond ratings going down and asked if it affects us.

Mr. Fermin said that we are pretty much evaluated on a stand alone basis.

Commissioner Ito asked how we compare to other airports nationally.

Mr. Fermin responded that we are in fairly good share overall. Our outlook has been maintained as stable, with one positive outlook. Generally our traffic has

not declined as much as many other airports across the country. Overall we are in fairly good shape compared to the majority of airports in the United States.

Commissioner Ito said that Director Martin is talking about evaluating the United Airlines situation and asked when that will be completed and a report regarding those potentials prepared.

Mr. Martin responded that Mr. Fermin is taking the lead in that effort.

Mr. Fermin said that we have had contingency plans in place since 2001 in the event any airline, not just United, went into bankruptcy. Our plan was updated last fall. When we received news about United we began the process of updating again. The contingency plan will address two issues: 1) what to do to attract or reach out to other airlines to take over United's origin and destination passengers, 2) what to do financially on an internal basis to shore up our cash reserves, trim our expenses and take corrective actions necessary to mitigate the revenue shortfall.

Mr. Martin emphasized that there is a very, very slim chance of anything like this happening but we would like to be prepared for any scenario. He does not want anyone to panic about an airline going out of business.

Commissioner Ito asked who is on the Financial Advisory Committee, and does it change over time based on staffing in the Mayor's Office, for example?

Mr. Fermin said that the Committee consists of Jack Tamagne, a well known person from Wall Street who has been our financial advisor for many years, Nadia Sesay, formerly the Mayor's Director of Public Policy who now manages that function out of the Controller's Office, and, Monique Zmuda, Deputy Controller of the City and County of San Francisco.

Mr. Martin said that Kay Yuen who was an investment banker was the Chairperson for many years. She is now back to work full time and had to give up this volunteer work for the Airport.

Commissioner Johns asked if it is a majority vote.

Mr. Fermin responded that it is.

Mr. Martin added that the votes have always been unanimous. He would let the Commission know if there is ever a split vote.

Commissioner Johns asked if, in the future, the additions/deletions be highlighted so that the changes are obvious.

Mr. Fermin said that he would be happy to provide a redline version.

Commissioner Johns noted a comment on Page 2, "compliance with tax laws," and wondered if there was something we weren't doing that prompted this change, or if it's just a clarification. She had that question in a number of areas.

Mr. Fermin said that that language steps forward and asserts that should we ever discover that bond proceeds are used in a manner inconsistent with tax requirements that the Director take active steps to bring it to the attention of the IRS and seek to remedy the situation immediately. Previously, the policy was silent on that, simply saying that we will comply with tax laws. This requires us to take an aggressive and quick step forward to rectify the situation.

Commissioner Crayton asked if we are getting ready to do an RFP for other firms to assist us with bonds.

Mr. Fermin responded that we are planning to go to the market this fall for a new money issue. This September we will meet formally with credit rating agencies both in New York City and San Francisco to start seeking ratings for the upcoming bond sale.

\* \* \*

#### F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Award Contract 8351C - Airfield Drainage Improvements - Ghilotti Bros., Inc. - \$424,745

No. 09-0189

Resolution awarding Contract No. 8351C, Airfield Drainage Improvements, AIP No. 03-06-0221-43 Part A, to the lowest responsive, responsible bidder Ghilotti Bros., Inc., in the amount of \$424,745.

Mr. Ernie Eavis, Deputy Director, Facilities said that because of differential settlement we have an ongoing problem with drainage on the airfield. This project will take care of any ongoing drainage problems that may involve standing water. The work includes paving, grading, hydroseeding, installation of new catch basins and drainage pipes and adjusting the elevation of existing utilities just so we don't have standing water on the runways, taxiways and in the airfield.

Six bids were received, with five bids within 10% of each other. Ghilotti was low bidder at \$424,745. We will receive 75% cost reimbursement through FAA grants.

Commissioner Crayton asked what is meant by "race neutral"?

Mr. Eavis responded that because we have met the FAA's goal for the year there are no goals for this particular contract. When the Federal budget starts again on October 1<sup>st</sup> we will be required to meet goals.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:



The Consent Calendar, Item Nos. 3 through 7, was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Authorization to Commence the Competitive Selection Process for the Terminal 3, Boarding Area F Hub Regional Gourmet Prepackaged Food and Gift Kiosk Lease

No. 09-0190

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the Terminal 3, Boarding Area F Hub Regional Gourmet Prepackaged Food and Gift Kiosk Lease through a Request for Proposal process.

4. Authorization to Commence the Competitive Selection Process for the Terminal 3 Boarding Area F Accessories Kiosk Lease

No. 09-0191

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the Terminal 3 Boarding Area F Accessories Kiosk Lease through a Request for Proposal process.

5. Bid Call - Contract No. 8832 - Central Garage Vehicle Entry Canopy

No. 09-0192

Resolution approving the scope, budget and schedule for Contract No. 8832, Central Garage Vehicle Entry Canopy, and authorizing the Director to call for bids when ready.

6. Approve Consolidation of Existing FAA No Cost Land on Airport Leases for Navigational Aids Serving Flight Operations into a Single Memorandum of Agreement

No. 09-0193

Resolution approving FAA Agreement No. DTFA WP-06-L-00041 consolidating all existing FAA no cost land leases for navigational aids into a single no cost land on Airport Memorandum of Agreement

7. Approve Lease No. GS-09B-01967 with the U.S. Federal Bureau of Investigation.

No. 09-0194

Resolution: 1) approving Lease No. GS-09B-10967 with the U.S. Government for space to be occupied by the FBI in the International Terminal, and 2)

directing the Commission Secretary to forward the lease to the Board of Supervisors for approval.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:17 A.M. and the closed session began.

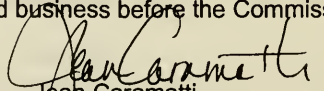
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:29 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM.

  
Jean Caramatti  
Commission Secretary

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**August 18, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

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Minutes of the Airport Commission Meeting of  
August 18, 2009

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B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
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D.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Mr. Le Duong	09-0197	4
	2.	Retirement Resolution - Mr. Ba Trung Ly	09-0198	4-5
E.		ITEMS INITIATED BY COMMISSIONERS:		5
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Proposed Revisions to the Airport's Quality Standards Program	09-0199	5-11
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Modification No. 1 - Contract 8738 - General Airport Security Services - Covenant Aviation	09-0200	11
	5.	Pacific Gateway Concessions - Exercise Two-Year Option under Lease No. 04-0139	09-0201	11-12
	6.	The Paradies Shops, Inc. - Exercise Two- Year Option under Lease No. 04-0166	09-0202	12
	7.	AIP Project No. 3-06-0221-42, 43 & 45 (Grant Nos. 42, 43, 45) Grant Award	09-0203	12
	8.	AIP Project No. 3-06-0221-47 (Grant 47) Grant Award	09-0204	12
		ADDENDUM		
	9.	Ratify Director's Application for ARRA Grant	09-0196	12-3
H.		NEW BUSINESS:		



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J.	CLOSED SESSION:	
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## AIRPORT COMMISSION MEETING MINUTES

August 18, 2009

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present:

Hon. Larry Mazzola, President

Hon. Caryl Ito

Hon. Eleanor Johns

Hon. Rich Guggenhime

Comm. Crayton arrived at 9:08 at the beginning of the closed session.

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 4, 2009 were adopted unanimously.

No. 09-0195

\* \* \*

### D. SPECIAL ITEM:

Item Nos. 1 and 2 were called together. They were moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

#### 1. Retirement Resolution - Mr. Le Duong

No. 09-0197

Resolution thanking Mr. Le Duong for 23 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. John L. Martin, Airport Director said that neither of these employees are present this morning,. Both have 23 years of outstanding service at the Airport Custodial Department. Mr. Le Duong was also recognized as Custodian of the Year in 2007 and was presented with the Russell Mayweathers Award.

#### 2. Retirement Resolution - Mr. Ba Trung Ly

Resolution thanking Mr. Ba Trung Ly for 23 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. Ba Trung Ly was also an outstanding custodian. They will be presented with their resolutions and thanked for their years of outstanding service.

Commissioner Mazzola thanked both men for their service and congratulated them on their retirement.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:10 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:00 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved as amended by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Approve Proposed Revisions to the Airport's Quality Standards Program

Mr. Martin highlighted changes to the proposal that was before the Commission in July. At that time the Commission instructed that it did not want to see any QSP covered employee suffer a loss in compensation. That has been addressed in two ways ... first, for those employees receiving \$1.25 an hour in compensation as a result of an employer allowing employees to opt out of healthcare ... those employees will be grandfathered in and will continue to be eligible for that benefit in compensation provided that they provide documentation that they have health care from another source.

The second change is the collective bargaining agreement reference. The language in the proposed QSP now provides that collective bargaining agreements will take precedence over the QSP only when there is clear reference to our QSP in the CBA document itself. Without this provision it is possible that many employees would suffer a wage reduction of up to \$2.50 an hour because CBAs in some cases have much lower wage levels at the national level.

The third item, following discussion with the Commission, is the proposed change to the wage standard. Currently, there is a 79 cent differential between the MCO (Minimum Compensation Ordinance) wage level and the QSP wage level. The proposal now is to make that a 50 cent differential going forward and that there would be a wage freeze until the 50 cent level is achieved. We would also continue to have the provision for the annual review of the wages and an opportunity for the Commission to hear from the staff and to weigh in, and for anyone to provide comments on that. That is the revised proposal.

Commissioner Guggenhime asked how many employees who opt out of healthcare get the \$1.25 and who is affected by it?

Mr. Martin responded only 60 employees are affected by this grandfathering provision. The change in the language is at the bottom of page 1 of the resolution under 1A "Wage Rate." The language would read as follows: "the current QSP minimum wage rate of \$12.33 will continue (here's the change) until the QSP wage is no more than 50 cents higher than the MCO wage rate."

Commissioner Guggenhime noted that the language would also have to be changed in No. 4.

Mr. Martin agreed that it would.

Commissioner Guggenhime asked who is affected, how many affected, what airlines, if any, are affected on the 60 workers all whom were employed before August 19<sup>th</sup>.

Mr. Martin believed that only one company decided on its own to allow employees to opt out of healthcare and receive \$1.25, so the impact is not significant.

Ms. Melinda Yee Franklin, United Airlines, said that she learning about this as we go along so she will go ahead with her testimony. She is speaking on behalf of United Airlines and other airlines who had written to you on this subject, including Southwest and the International Air Transport Association, who couldn't be here

today, to express their concerns on the recent staff recommendations to the QSP. Ms. Franklin read from a prepared statement: "We have worked very closely with Director Martin and his staff over the past 18 months. We do however have some concerns. As you know United is the largest carrier at SFO, with over 40% of all the flights; over 9,000 employees in the Bay Area. From January 2008 to 2009 we have furloughed approximately 425 employees, reduced 2,400 flights in California during that same timeframe, and in the last two quarters we've lost over \$900 Million. Needless to say other airlines have reported similar results. We are in an extremely dire economic time for United and for our industry worldwide.

On the wage and benefit increase freeze issue, we are just hearing it so we have not run the numbers, but on principle we would encourage a delay to any increase until the local, state and national economies stabilize and United and its vendors are on a sound financial path forward. The QSP wage is already 6.8% higher than the City's minimum wage rate and we believe this is an issue of fairness for the workers under QSP not to be paid more than those under the MCO.

In addition, on this collective bargaining agreement piece we negotiate these CBAs on a nationwide basis and we believe that the CBA should take precedence over the QSP wages and benefits. The language the Director has proposed is very difficult for us as we go through these negotiations ... imagine throughout the country having to have local agreements. How does that even make a national agreement valid if we are always having to go through each provision for an individual locality. We feel very strongly that we are already paying benefit provisions that are negotiated nationally and we do provide, for example, with United different opportunities for flight benefits and other provisions that we get no credit for. So those are all part of our national collective bargaining agreements.

Finally, on the HCAO we believe that employees, on principle, should not be subsidized for refusing healthcare coverage. The obligation to provide healthcare coverage is an option and should not impact hourly wages if an employee declines the benefit.

Ms. Thelma Dotson, speaking on behalf of Steve Pitochi, representing Local 20, IFPTE. They hope that in the future the Airport holds all employees accountable. We have received complaints from employees that they have been terminated for having complained about the non-compliance. It has also led to a loss of revenue and it is the Airport's responsibility to ensure compliance. They look forward to working with all Airport workers whether they are represented or not.

Mr. Doug Cruzcam, Senior Vice President, AirServ, a supplier at SFO, providing special needs assistance, cleaning, baggage handling and skycaps with approximately 500 employees at the Airport. Their main concern, as they have said all along, are the two threshold questions which they believe still have not been answered ... why this proposal, and why today?

Throughout the process they have testified to their concerns that no independent study nor thorough analysis has been conducted to weigh the costs and benefits of what is put forth today. Today they have at least 200 employees that would be affected by provision No. 5 that have opted for the \$1.25 an hour instead of



healthcare. Again, they are very concerned that a thorough analysis has not been done and AirServ cannot figure out why this needs to be done today. They are unaware of any study where the Airport has really looked at the total cost of this proposal, nor are they aware of any study that has demonstrated a need to increase the compensation package by over 18% for certain individuals that could be affected by this. As has been tacitly admitted in previous hearings, there has been no analysis indicating a heightened security or safety threat at the Airport that requires us to increase wage at this time. Although we've had great anecdotal testimony regarding the benefit that would accrue to some, although many of these are San Mateo and East Bay residents, but the anecdotal evidence would show that some would have a great benefit by having healthcare.

Again, no one has looked into the overall cost or savings to the City, and United is concerned that no one has really looked into why this proposal. This is the most challenging economy any of us has had to deal with. This industry has been decimated for a decade. Airlines are losing hundreds of millions of dollars a quarter and it's hard to understand why we want to punish the industry at this now.

This will cost AirServ at least \$1 million - \$1.5 million annually ... a very significant increase which will lead to lost jobs. Ultimately, this could result in reduced flying at SFO, which would lead to reduced revenues for the City. Given the City's current budget that will not be good for the City.

Again we are talking about subsidizing residents outside of the City that work at the Airport. We haven't been presented with the type of thorough study that we need to answer the two threshold questions .. why this, and why now?

Mr. Mike Patino, representing Transport Workers Union Local No. 505. for over 35 years and recently retired from American Airlines. He has spent most of his time in Southern California working with the LA County Fed and they always look to SFO as a very strong proactive worker supporting group. This Commission should be looked up to as a leader in taking care of the people that are not represented by unions. He appreciates that and the Commission should be proud of its record.

Seventy-five other entities have working agreements (living wage ordinances) throughout the country. He can provide that list. There has been a working agreement with this Commission and the Airport since 1982 and he doesn't understand why it's before the Commission now. He does not understand why some of these speakers say there is no money to deal with this. There are employees at American Airlines who are working at a 50% scale.

The Commission should be commended for its leadership role and he hopes the Commission will support their position on this.

Ms. Anna Grant, General Manager, Air Canada said that she has been at SFO for twenty years, fifteen years in the capacity of Station Manager. She supports and is in full agreement with the comments made by colleagues Melinda Franklin and Doug Cruzcam, who provides much of their support services. She has seen many changes in the labor market over the years. As an airline manager she welcomed the living wage provisions as it helped achieve a stable workforce both within her

own staff and within organizations that support their operation. Much as she appreciates the impact this has had she, along with the majority of colleagues at other airlines, struggle everyday with the demands from their corporate offices to do without, to analyze each service contract to see if costs can be reduced and productivity increased, and to watch every single dollar that is spent. She has never seen such pressure to reduce spending. The airline industry has weathered many crises but the current economic downturn is the most serious they have seen, and in this environment it is hard to accept that the QSP revisions would further cause a significant increase in operating costs.

In her operation she is fighting to maintain approximately \$11,000 per month in contracted services which enhance customer service and protect her employees from injury, such as the baggage belt handler hired to lift the bags. With the increase in rates brought on by approval of the QSP revisions it will further increase labor costs. She will be forced to drop these services. In her view, safety and security are gained not by increases in wages but by stability in the workforce as employees gain experience and awareness of their environment in the Airport and learn to recognize what is not right. Statistics show that we have achieved that stability with the higher QSP mandated wage rates already. If we raise the wage even further we will have to cut back on services and fewer employees will be asked to do more. This is what will negatively impact safety and security.

Ms. Annie Kim, SEIU, Local 1877, thanked Director Martin and the Commission for the wage differential. The differential addresses two main facts: 1) ridership at SFO has gone up as opposed to other airports where they are losing riders, and, 2) airport workers, as opposed to other employees that fall under the MCO face far more risks on the job, have to undergo rigorous application process, security tests and a background check while other employees do not. This is what is fair as opposed to what the representative from United Airlines has said. This is what is fair for the workers at the Airport and we thank you for doing the right thing.

Mr. Adolphus Cholopray, wheelchair service agent at SFO providing services to disabled passengers. The economic situation throughout the country is bad, but if you allow the wage freeze it is going to create more problems. Those employees who live across the Bay pay over \$400 a month just to get to work.

Ms. Brisha Young, Covenant Aviation Security, was present to support the Airport workers. I've stood by them for three years as we work side by side to serve the public. Today I found out that they made \$12.33 and with the Commission's generosity they'll make \$12.83. She said that at \$12.83 she would lose her house and her car and she would have to decide between transportation back and forth to work, and her daughter's academy daycare education versus providing her with healthcare and food. The Commission has made great strides in helping Airport workers, but don't put them in the position of making extreme sacrifices. We understand the need to compromise with the airlines and all do our best to get through these economic times, but at the same time the airlines are surviving and we need to make sure that the Airport workers survive too.

Mr. Antonio Balotro, AirServ handling United Airlines baggage service, thanked the Commission for revising the QSP. These are great improvements, but they

also need wage increases. With everything getting more expensive, food, gas, public transportation, house rents, and mortgages, they need higher wages. Please put the Bay Area Consumer Price Index increase into the QSP.

Ms. Connie Russell, Virgin America, said that Virgin America supports the staff recommendations included in the proposed QSP revisions. Even though those revisions will significantly increase their benefits costs. For example, meeting the requirements of the healthcare ordinance will increase their costs by \$4,000 annually for a part time employee. That is a 28% increase in their compensation and benefits package. That said, they support providing quality healthcare and wages to their employees. They believe that the staff's recommendations to delay implementation of the healthcare changes to early 2010 and freezing the QSP minimum wage is a good compromise in these difficult economic times. The delay and the freeze allows them time to plan for these changes in their 2010 budget and to make operational and staffing changes to offset these increased costs.

Ms. Shelley Kessler, San Mateo Labor Council representing 110 unions including those at SFO. Before beginning her remarks she reminded the Commission that Glen Tilton is the CEO for United Airlines, and she will refer to him in her remarks.

Good morning to all, so glad that you are here on this great QSP I need to be clear. We are happy about all of the work that has been done, can't say that it has all been joyful and fun. Yet the staff worked well, great gains were made and for over a year on this task we too slaved, to protect the workers who protect all of us we want to say thank you and not make a fuss. But there is one item that needs to be solved and on this task we can't be absolved. About this issue you have and must stick your toes in, when it comes to wages no one should be frozen. You know that it is expensive around our great Bay. The high cost of living you've heard people say it is a problem there is a solution to prevent our workers from real destitution. So keep in place the percentage that exists very clear that retains our workforce which protects us from fear. It is not a big difference but it is just enough to help safety workers from having it tough. For over a decade it has been clearly in force we have stopped the bleeding, we've kept our workforce, who have passed all the tests, TSA to the Feds this is not how we thank them with a kick in their heads. And meanwhile you hear the industry cries, they are saying they are poor, now I won't call those lies, but CEO Tilton got \$10 Million bucks as workers lost pensions and now out of luck. We must fix the language, put in the right fix and the 50 cents change will help in the mix. For over 10 years this has been the rule, so that's the solution, it is the right tool. I truly thank you for hearing our voice. I will stop this poem and give you a choice. Risk high turnover, that is if you dare, or make the change that is needed and show workers you care.

Commissioner Mazzola said that was really neat, now take your seat.

Commissioner Guggenheim said that AirServ commented that he had 120.

Mr. Martin responded that is not the information we have. If an employee receives \$1.25 today because the employer is not providing healthcare, we are not going to require the employer continue to let them opt out and get that \$1.25. As of April 1, employers must offer healthcare and employees will have no choice but to accept



it. That is where there is still some confusion. We will need additional briefing follow ups to make sure everyone understands this very complicated document.

Commissioner Ito said that she is going to vote yes but commented that her vote is basically trying to come to some reasonable decision for this first year. We all respect that the airlines are having challenges, but we also want to maintain the stability of our employees. In the last 10 years some of the provisions we have been able to provide have enabled us to do that. Even the language here and the \$12.33 is still very little for people to support their families in the Bay Area. Whatever we can do to help them stay in the Bay Area and be your employees is what we would like to see continue. This is a good start for a compromise.

Commissioner Guggenheim said that he practices law and his 120 year old law firm ... 800 lawyers plus another 1,000. staff went out of business. This economy has affected everybody. Lawyers may make a lot of money but everybody is taking 20-25% cuts in their new jobs; many staff members don't have jobs. He is very concerned about the economy and would have preferred to have the QSP standard frozen until the MCO equals that. The Commission worked very hard on the compromise and unanimity is important. There are a lot of people across the board in the economic strata ... he would rather keep a law firm going where the partners took 20% cuts in order to avoid staff layoffs. He is concerned about the impact on the airlines and does not believe that they are just crying wolf. The airline business is in the worse shape it has ever been, including after 9/11, but in the spirit of compromise he will support the motion.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 8, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Modification No. 1 - Contract No. 8738 - General Airport Security Services  
Covenant Aviation Security, LLC - \$750,000

No. 09-0200

Resolution approving Modification No. 1 to Contract No. 8738 General Airport Security Services Contract to Covenant Aviation Security, LLC to extend the contract for a period of one year, and increase the contract amount by \$750,000 for a not-to-exceed total amount of \$2,150,000.

5. Pacific Gateway Concessions LLP - Exercise the Two-Year Option Under Lease  
No. 04-0139

No. 09-0201

Resolution exercising the two-year option to extend Pacific Gateway Concessions, LLP's Boarding Area "F" Newsstand Lease No. 04-0139, for an option term of March 1, 2010 through February 29, 2012,

under the existing terms and conditions.

6. The Paradies Shops, Inc. - Exercise a Two-Year Option Under Lease No. 04-0166

No. 09-0202                      Resolution exercising the two-year option to extend The Paradies Shops, Inc's Boarding Area "F" Specialty Store Lease No. 04-0166, for an option term of February 26, 2010 through February 25, 2012, under the existing terms and conditions.

7. Airport Improvement Program Project No. 3-06-0221-42, 43 & 45 (Grant Nos. 42, 43 & 45) Grant Award - \$16,688,902

No. 09-0203                      Resolution authorizing the Director to expend Grant Offer Nos 42, 43 & 45 from the Federal Aviation Administration (FAA) in the total amount of \$16,688,902.

8. Airport Improvement Program Project No. 3-06-0221-47 (Grant No. 47) Grant Award - \$4,717,328

No. 09-0204                      Resolution authorizing the Director to expend Grant Offer No. 47 from the Federal Aviation Administration (FAA) in the total amount of \$4,717,328.

Commissioner Johns thought that pre-conditioned air had already been awarded. She asked if this is additional, or is it funds in lieu of?

Mr. Ernie Eavis, Deputy Director, Facilities responded that this is a bookkeeping issue. It allows us to spend the grant money that funds the contract awarded by the Commission.

\* \* \*

ADDENDUM TO CALENDAR:

Item No. 9 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

9. Resolution Ratifying Application for American Recovery and Reinvestment Act (ARRA) Grant to the FAA, Acceptance of the Grant Offer and Expenditure of Funds in the Amount of \$11,000,000

No. 09-0196

Mr. Eavis said that late last week the FAA offered us \$11,000,000 in ARRA funds



to overlay and reconstruct Runway 1R-19L if we could bid the job and sign the grant before mid-September. We looked at it and determined that we could meet the deadline. This item authorizes the Director to sign the grant agreement, put the contract out to bid and do that work within the next few months. We are also seeking authorization to transmit this to the Board of Supervisors for approval to accept and expend this grant money. It would be 100% funding so we are revising the original contract. You will recall that we bid and rejected those bids a number of months ago because we weren't going to get the ARRA funding. Now that we are, we are modifying that bid and we are going to put it out within the next 5-6 days. It's literally come up in the last few days and we are trying to move as fast as we can. That's why this item appears as an amendment to the agenda.

Mr. Martin explained that a couple of other airports didn't do a good job in spending the money quickly. Second, the FAA knows that Ernie has a great track record in spending the money quickly. Third, the Finance staff was right on top of this in coordinating with the FAA to try and grab the money when it was available.

Commissioner Crayton asked if there will be an RFP and bid.

Mr. Eavis said that the Commission has already approved the bid. We had a bid opening for a similar project a few months ago and those bids were rejected. It will be close to the same type of bid. The Commission will award the contract.

Commissioner Johns asked if this work will delay flights, and will the work be affected by winter weather ?

Mr. Eavis responded that we scheduled the work so it fits into periods of time where there are not as many flights. We look at airline schedules and we work with them to make sure it doesn't have a dire effect on flight operations.

Commissioner Johns asked if weather will have an impact.

Mr. Eavis responded that weather will have an impact, but we are going into the best period of the year for construction.

\* \* \*

#### H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Ms. Kessler thanked the Commission and the Airport ... we have all worked very hard to reach this point. It's not perfect for any of us, but reminded the Commission that with your 1,000 attorneys that most of the people on that side don't make \$12.33 an hour.

Commissioner Guggenheimer said that his firm had 1,000 staff; 400 still don't have jobs.

Ms. Kessler understood; they deal with this too. We are losing large numbers of people in this economic crisis, but it doesn't mean it's okay for those that are left to live in poverty either. We are trying to be thoughtful about this as well which is why people said "thank you" when they came to the microphone. We want you to understand we don't want to come here and just rail about issues. We want to be able to say thank you John, thank you Theresa, thank you Bill, thank you Carl, thank you Rafael. Thank everyone for all the work that has been done. We've been calling all of you, we have been working with the staff, we have been doing our due diligence. There are no surprises. We came forward and let you know every step of the way what our concerns are and so the fact that you listened to them, that we reached a compromise we can live with I think needs to be said out loud and let you all know that we do appreciate it when we can make these kinds of partnerships work. So thank you very much from all of us. We really do appreciate the time that you have all put in to make this and we can't wait to review it in January when things are getting better.

Commissioner Mazzola said it goes both ways, and thanked Ms. Kessler for working with staff.

Commissioner Mazzola announced that this was the last meeting for Airport General Counsel Rob Maerz. He thanked Rob for his counsel over the years and wished him well in his next assignment.

Mr. Rob Maerz, Airport General Counsel thanked Commissioner Mazzola and said that it has been a pleasure being the Airport's counsel. He has enjoyed working with the Director, his fine staff and with the Commission. Although he will no longer be Airport General Counsel he will continue to assist with transactional matters in his new role, including the Lease and Use Agreement when it comes before the Commission for approval. He will head up a new division in the City Attorney's Office that will handle transactional matters ... public integrity, stimulus task force matters and other issues.

Commissioner Crayton said that we like you even though you are leaving us.

Commissioner Mazzola thanked Rob for his service.

\* \* \*

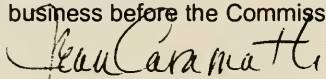
I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:45 AM.

  
Jean Caramatti  
Commission Secretary



# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**September 15, 2009**

**9:00 A.M.**

GOVERNMENT  
DOCUMENTS DEPT

OCT 23 2009

SAN FRANCISCO  
PUBLIC LIBRARY

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#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128**





Minutes of the Airport Commission Meeting of  
September 15, 2009

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# AIRPORT COMMISSION MEETING MINUTES

September 15, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheimer

\* \* \*

## J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:05 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.8 to confer with legal counsel regarding real property negotiations.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR: California Government Code Section 54956.8.

Property: San Francisco International Airport.  
Person Negotiating: John L. Martin, Airport Director

And, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:50 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 18, 2009 were adopted unanimously.

No. 09-0205

\* \* \*

D. SPECIAL ITEM:

Item No. 1 was approved unanimously.

1. Election of Officers

No. 09-0206

Commissioner Crayton nominated and Commissioner Ito nominated Larry Mazzola for President.

Commissioner Ito nominated and Commissioner Guggenhime nominated Linda Crayton for Vice President.

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Commendation for Robert S. Maerz

No. 09-0207

Resolution thanking Rob Maerz for his seven years of service to the Airport as its General Counsel and extending best wishes for every success in his new assignment.

Mr. John L. Martin, Airport Director commended Rob for his seven years of outstanding service as Airport General Counsel. Rob started at the Airport in 1988, working for 5 years before the City Attorney transferred him to the Port. Rob then went back to City Hall, and returned to the Airport in 2003. Rob did an outstanding job serving as General Counsel and leading an outstanding team of attorneys, protecting the Airport's interests, protecting him personally and going the extra mile in finding creative solutions to problems and a lot of major litigation. It was all handled very successfully. We thank Rob for his outstanding service and wish him the best of luck in his new role in the City Attorney's office.

Commissioner Crayton thanked Rob not just for the way he did his job but for the peace that he brought to the Commission. She appreciated Rob's thoughtfulness, candor and his ability to get along with everyone.

Commissioner Ito noted the warm personal statements in the resolution but Rob still has a fresh face. She thanked him for sacrificing his dark hair ... but he still has wonderful silver grey hair. Congratulations and thank you.

Mr. Rob Maerz said that he hasn't read the resolution but he heard there are references to having aged a bit.

Commissioner Johns said that she was going to miss him as a seat mate and wished him good luck ... she welcomed Molly. She thanked Rob for all of his great work and wise advice.

Commissioner Mazzola personally thanked Rob for the times he disagreed with him and was kind enough not to show everyone how stupid he was. He told Rob that he really did a great job. Good luck in your next assignment.

Commissioner Guggenhime thanked Rob for never disagreeing with him.

Mr. Maerz said that he was very grateful for having had the opportunity to return to the Airport a second time as General Counsel. He complimented John and the Commission on the fine job they have done in turning SFO into one of the best airports in the world. Because of his age and length of service with the City he is often asked which is the best department of all the departments he has worked with and it is easy to answer that question because hands down it's the Airport ... no doubt about it ... and he has worked with virtually every department in the City. There's a reason why the Airport is an industry leader and the recipient of so many awards, and that reason is all of you. Thank you, very much.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There was no discussion by the Commission.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Award of Contract No. 8873A - 575 N. McDonnell Road Office Modernization BCCI Construction Company - \$7,408,331

No. 09-0208

Resolution awarding Contract 8873A, 575, North McDonnell Road Office Modernization to BCCI Construction Co., in the amount of \$7,408,331.

Mr. Ivar Satero, Deputy Director, Design and Construction said that this item recommends award of Contract 8873A to BCCI Construction Co. for tenant build-out work for Building 575. The contract provides for the complete renovation of the entry, lobby and second and third floors, creating new offices, conference rooms, cubicles, break rooms and other spaces. The contract will also provide for the complete replacement of the systems and equipment of the building. Facilities will refurbish existing elevators. This renovation work, as well as the in-progress



hazmat and demo contracts which prepare the shell space for the contract, allows us to relocate Airport staff from the upper floors of the Terminal 2 office block in preparation for eventually demolishing that facility as part of the Air Traffic Control Tower Replacement Program.. The relocation of Airport Staff gives us the opportunity to move the FAA Administrative Offices down from the 6<sup>th</sup> and 7<sup>th</sup> floors of the office block which allows us to avoid costly upgrades to the facility.

Nine bids were received in response to the bid call. BCCI was determined to be the lowest responsive and responsible bidder with a bid of \$7,408,331. The HRC has reviewed their bid and concluded that they are responsive to Chapter 14B of the Administrative Code and they've committed to exceeding the 18% goal with a commitment of 22.4%. The budget for these services is approximately \$10 Million and the funding comes from the Airport Capital Plan.

Commissioner Crayton noted that the bid is \$2 Million less than the estimate and asked where they found a savings and is it reasonable?

Mr. Satero responded that the scope is a lump sum, not a bid item. A bottom line price was submitted so it's difficult to parcel it to find the disconnects. Looking at the spread of bids there is a low group of bidders in that \$7.5 Million range, and there is the higher group of bidders which are around the Engineer's estimate. He believed it to be the competitive nature of what is happening in the industry. We typically do not get this type of bid field and that is what is driving the costs down.

Commissioner Ito said that we are allowing over \$500,000 worth of change orders yet the difference between the top 3 bidders is minuscule. We are allowing for \$500,000 worth of contingency and the next bid is only \$50,000 less. She does not understand the process and the issue of fairness and how that decision was made. She liked that they will have a high LBE percentage, but how do you justify those three lowest bidders and then kick in another \$500,000 in contingency?

Mr. Martin responded that the 7.5% contingency would apply to whoever had been the winner so there is no special benefit to this particular contractor.

Commissioner Johns asked when the estimate was done.

Mr. Satero responded that we had the \$9.7 Million estimate when we sought authorization to issue a bid call in May. We adjusted that estimate when the elevator scope was removed, so it's a very recent estimate.

Commissioner Johns said that is why this makes no sense.

Mr. Martin said that contractors are hungry for work.

Commissioner Johns asked if the competitiveness of the market isn't something that the engineer's estimate should take into consideration.

Mr. Satero responded that they operate off longer term information and they are protective of what the cost is going to come in at and be added to.

Commissioner Guggenhime said that his friends who have companies are trying to take work where they break even or lose a little in order not to have to lay people off. In order to avoid layoffs they are cutting their bids dramatically.

Mr. Martin said that we are saving a lot of money.

Commissioner Mazzola said that the bids look okay but the subs are not listed.

Mr. Satero responded that subs are listed in their HRC documents. He apologized for not listing them in the package.

Commissioner Mazzola understood that Kent Lim was going to bid this job but doesn't know if he did or not.

Mr. Satero responded that he did not know if Kent bid to BCCI. He will follow up.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Award Four Contracts to Provide International Strategic Marketing Services for Varied Scopes of Work - \$1,489,000

No. 09-0209	Resolution awarding Contract 8912 to the San
No. 09-0210	Francisco Convention & Visitors Bureau, Contract
No. 09-0211	8943 to Fleishman Hillard, Contract 8944 to Hill &
No. 09-0212	Knowlton and Contract 8955 to One World
	Communications for a combined total not to exceed
	\$1,489,000 to provide International Strategic
	Marketing Services for varied scopes of work for
	overseas for a period of one year with two one-year
	options to extend the contract at the sole discretion
	of the Commission.

Ms. Kandace Bender, Deputy Director, Marketing and Communications said that last Spring we conducted an RFQ process to establish a pool of firms in San Francisco to help us with our international marketing efforts. We selected five firms and interviewed all five and from those interviews we entered into contract negotiations with four of them. We have defined to them that their work needs to be International in nature and their scopes of work will include but are not limited to overseas media buys, in country representation, various media campaigns, social media campaigns, including Twitter, Facebook, etc. We believe that all of these scopes of work will complement one another and we fully intend to work together as a team to help promote SFO as the preferred gateway into in the United States for our International visitors. So today we are asking the Commission to award the contracts to the four firms. They are Hill and Knowlton, Fleishman Hillard, Oneworld Communications and the San Francisco Convention and Visitor's Bureau for a total not-to-exceed \$1,489,000.

Commissioner Ito asked if we supplemented this contract this past year for a total

of about \$3 Million.

Ms. Bender responded that last year it was about \$1.3 Million total.

Commissioner Ito asked if this is the same budget.

Ms. Bender responded that it is slightly increased this year.

Commissioner Ito asked if we are still maintaining offices in Shanghai and Tokyo.

Ms. Bender responded that we have in country representation in 14 countries.

Commissioner Crayton asked who is OneWorld Communications.

Ms. Bender responded that it's an LBE firm in San Francisco.

Item Nos. 5 and 6 were called together and moved by Commissioner Mazzola and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Authorization to Commence Competitive Selection Process for Eight (8) Terminal 2 Food and Beverage Leases

No. 09-0213	Resolution to: (1) approve the proposed minimum
No. 09-0214	qualification requirements and lease specifications,
No. 09-0215	and (2) authorize staff to issue five (5) Requests for
No. 09-0216	Proposals for eight (8) food and beverage leases
No. 09-0217	and conduct Informational Conferences for the
	Terminal 2 Food and Beverage Leases.

Mr. Leo Fermin, Deputy Director, Business and Finance said that Agenda Item Nos. 5 and 6 we are commencing the competitive selection process for the Food and Beverage and Retail Concessions Program for Terminal 2.

Food and Beverage, Item No. 5, will have eight leases covering nine food and beverage locations. One lease is for a cocktail lounge to be located near the central back window wall of the main triangular gate area. The second lease is for two bakery and coffee facilities ... one on the left side of the triangle and one on the right side. There will be four leases for four quick serve restaurants surrounding the center of the triangle. On the right side as you enter the triangle there will be a sit down full table service restaurant. As passengers clear security the first location on their right, at the neck leading to the triangle, will be a gourmet market and wine bar. We envision a fresh and sophisticated San Francisco feel to the food and beverage facilities with healthy, and as much as possible, locally sourced products. Inspired by the slow food movement, staff has authored sustainable food guidelines which contain 16 separate requirements or strong preferences for practices and products which promote good health and environmental sustainability.

6. Authorization to Commence Competitive Selection Process for Eight (8) Terminal 2 Retail Concession Leases

No. 09-0218

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue eight (8) Requests for Proposals and conduct Informational Conferences for the Terminal 2 Retail Concession Leases.

Mr. Fermin said that Agenda Item No. 6 covers the Retail Program. RFPs will be issued for eight leases covering 12 locations in Terminal 2. The Electronics Technology Store will also cover a smaller space in Terminal 3 which is currently the UThreads Store. Besides an electronics technology store the other shops will include newsstands and coffee, a museum store, a spa, specialty stores, a regional gift store, a travel and accessory store and a traditional bookstore.

Our official Federal ACDBE goal for these concessions is a combined 20% participation, but we hope to achieve more than that. Airport-wide we feel we can achieve the same average of 45% that we currently have Airport-wide on a combined concessions basis. That is the minimum we are striving for.

We advertised in various publications including the San Francisco Bid and Contracting Opportunity Newsletter, Airport Minority Advisory Council Newsletter, and the San Francisco Small Business Resource Center Newsletter. We also sent information to many ethnic Chambers of Commerce and business groups as well as sent out press reports to 200 media contacts. Our interested parties mailing list has over 2,000 addressees. Staff has conducted three public outreach meetings which included presentations on the T-2 concession leases, a tutorial on how to do business with the City and meet City requirements and provided opportunities during the workshops for one on one contact with both the staff of Revenue Development and Management and the Airport's Small Business Office. We next will hold pre-proposal conferences, ask for written comments and suggestions regarding the various RFPs and then return to the Commission for approval of the final business terms and approval to receive proposals. There will not be a financial offer in the Food and Beverage RFPs with the evaluation criteria weighed more towards concept and site visits. We will have a Food and Beverage Evaluation Panel as well as a separate retail evaluation panel. We will also limit successful proposers to receiving no more than two leases in Terminal 2. We will return to the Commission in November for approval of the final business terms and authorization to receive proposals in December. We will return in February to award leases, some of which will also require Board of Supervisors approval.

Commissioner Guggenheim noted that the minimum acceptable bid amount for newsstand, coffee and specialty store leases is \$800,000 and asked how we arrived at that.

Mr. Fermin responded that we took our historical average of gross sales per square foot for newsstands and specialty stores in Terminals 1 and 3 and projected that out at the square footage that the lease would cover and then estimated what the average historical mag had been based on that sales level.



Mr. Martin added that we hold the RFP pre-bid hearings and will receive input from potential bidders. To the extent that they think it is too high we would report that feedback to the Commission for your final consideration.

Commissioner Ito thought there was an error in Item No. 5, Attachment 1, General Proposed Lease Specifications ...shouldn't it be a 10 year lease, and one two-year option?

Mr. Fermin responded that it should.

Commissioner Ito asked if the standard for a security deposit is a six month mag.

Mr. Fermin responded that it is.

Commissioner Ito said that when she saw five leases she wondered if we were offering a playing field that would allow new bidders to come in.

Mr. Fermin responded that staff did an extensive analysis on how many facilities might be able to support the projected traffic and the two carriers that will be housed there. The original plan had two additional concession spaces but were removed because we felt that the projected number of enplanements and traffic would not be enough to support the businesses. We think this number and location of leases is sufficient at this time given the projected enplanements envisioned on opening day.

Commissioner Ito noted the one entity for newsstand leases.

Mr. Fermin responded that we felt that one or two of the locations was not economically viable as a standalone, but felt that we could get operators to operate the less desirable locations if we coupled them with two better locations.

Commissioner Ito asked if the square footage of the sit down restaurant is similar to any of the other sit down restaurants. It sounds much larger than Firewood's 1,000 square feet?

Mr. Fermin responded that he did not know off the top of his head. The 3,900 sq. ft. we have for Terminal 2 was sized based on feedback received from our consultants and tenants. Again, we will go through those points at the informational conference and get feedback. That square footage size also includes the footprint space for the kitchens and the back of the house facilities that the concessionaires would have to support ... it's not all dining room area.

Commissioner Johns asked if the decisions relative to the type of food and beverage and retail were based on the success of the businesses in the existing terminals and their needs.

Mr. Fermin responded that they were based on a lot of input received from our consultants as well as what is being done elsewhere in the country. We don't want to simply replicate what we've done in Terminals 1 and 3. We will convey to the evaluation panel that we want a fresh look, not a duplication of Terminal 3.



Commissioner Johns said that she did not mean a duplication, but rather a category. For example, if you find certain kinds of things sell well and certain vendors are very successful in the International Terminal, or certain types of retail that you know are going to be successful. Was their input into those choices?

Mr. Fermin responded that we have not defined the food concepts, just the nature of the operation, i.e. whether it's a sit down or quick serve. The proposer will propose a food concept, i.e., one type of cuisine versus another, and the evaluation panel will weigh that concept against what has been successful and what has not.

Commissioner Johns asked if the bidders know what has been successful and what has not to guide them in their proposals.

Mr. Fermin responded that if they had experience at SFO they would have inside knowledge of successes. If they've worked elsewhere they would probably have a sense of what is desirable or what sells the most, based on their operations.

Item Nos. 7 and 8 were called together and moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Airport Financing Program: Request for Proposals (RFP) for Financial Advisor

No. 09-0219	Resolution authorizing the Director to solicit proposals and to negotiate agreements for financial advisory services in connection with the General Airport Revenue Bond Financing Program.
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Mr. Fermin said that this item requests approval to issue an RFP for Financial Advisory Services. These services are different from Agenda Item No. 8 which includes financial consultants. This item pertains to the issuance of bonds and other debts such as commercial paper and the management of our debt portfolio, tax advisory and arbitrage rebate calculations for our bonds, and advisory services for our interest rate swaps. In the next agenda item the financial consultant work regarding the Bond Feasibility Report is a third party verification that the Airport can generate sufficient revenue to meet its bond covenants and financial coverage tests. Other financial consulting work in the next agenda item pertains to tasks such as helping prepare financial schedules for, as an example, PFC applications. The main financial advisor contract, a joint venture consisting of Public Financial Management, Bachstrom, McCarty Berry and Company and Robert Kuo Consulting, expires on March 31, 2010. A second contract, with Bond Logistics for tax advisory and arbitrage rebate calculation services, expires in May 2010. The third contract, with Swap Advisory Services, expires in June 2010.

Commissioner Guggenheim said that getting this right can save us a lot of money.

8. Authorization to Establish Pools of Qualified Airport Management and Financial Consultants

Commissioner Johns noted that we are using Jacobs in many areas and assumed we have a great deal of confidence in their consultancy.

Mr. Fermin responded that we do. One of the reasons that we have established these pools and sub-pools is to try to engage as many firms as possible in our work. His goal is to reach out and involve as many different firms as possible instead of concentrating on a single firm.

\* \* \*

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 9 and 10 were removed from the calendar without discussion.

The Consent Calendar, Item Nos. 11 through 22, was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

9. Approve Consultant Pool List - As-Needed Environmental Sustainability Services

Resolution approving consultant pool list for As-Needed Environmental Sustainability Services. The pool will provide the necessary expertise in support of Airport Staff on various sustainability tasks. The tasks are related to SFO's environmental sustainability initiatives, which the Airport is implementing to meet and exceed City goals and mandates, as well as to maintain SFO's leadership position in environmental stewardship.

10. Authorization to Issue a Request for Proposals and Conduct a Competitive Selection Process for Contract 8952 for Procurement of Professional Services to Operate a Public Wi-Fi Service

Resolution authorizing the issuance of a Request for Proposals (RFP) and conduct a competitive selection process for an operator to provide Airport public Wi-Fi services and negotiate with the highest ranked, responsive, and responsible proposer.

11. Request for Qualifications for As-Needed Project Management Support Services

consultant pool list to provide project and construction management support services for the Airport's Five-Year Capital Improvement Program, estimated at \$300,000 per year.

12. Modification No. 5 to the Professional Services Contract - Noise Monitoring System - Lochard Corporation - \$294,000

No. 09-0224

Resolution approving Modification No. 5 to the Professional Services Contract with Lochard Corp. to extend the Maintenance Agreement for Phase 1, July 1, 2009 - June 30, 2010, extend the term of the agreement for Phase II warranty period until June 30, 2010 and increase the dollar amount by \$294,000 for a new total contract not-to-exceed amount of \$3,831,313. This modification includes flight tracking and noise monitors, and computer support for them.

13. Modification No. 4 to Contract No. 8688 - Catholic Healthcare West dba St. Mary's Medical Center - \$240,071

No. 09-0225

Resolution approving Modification No. 4 to Contract 8688 with Catholic Healthcare West dba St. Mary's Medical Center for reimbursement of final costs related to (1) SFO Medical Clinic relocation (\$214,031) and 2) FY 2008/2009 operating expenses (\$26,040) for a total amount of \$240,071.

Commissioner Ito said that in the past she recused herself as she was on the Board of an affiliate hospital and on the Catholic Healthcare West Finance Committee but her term expired on July 1, 2009. She no longer has a conflict.

14. Modification No. 1 to Contract No. 8861 - Airport Security and Vulnerability Assessment - New Age Security Solutions (NASS) - \$90,000

No. 09-0226

Resolution approving Modification No. 1 to Contract No. 8861 to New Age Security Solutions (NASS) to increase the contract amount by \$90,000 for a new contract total amount of \$465,000.

15. Bid Call - Contract 8937 - Electrical and Telecommunications - Repairs/Construction

No. 09-0227

Resolution approving the scope, budget and schedule for Contract No. 8937, Electrical and

16. Award of the Sleep Units Lease - Unique Retreat, LLC - \$135,000

No. 09-0228                      Resolution awarding the Sleep Units Lease to Unique Retreat, LLC for a Minimum Annual Guarantee of \$135,000 for the first lease year.

17. Award of the Pay Phone Lease to Pelican Communications

No. 09-0229                      Resolution awarding the Pay Phone Lease to Pelican Communications for a minimum annual guarantee of 55% of gross revenues and a term of four (4) years with one (1) option to extend the term by two (2) years at the sole and absolute discretion of the Airport Commission.

18. Authorize Staff to Seek, Accept and Expend Funds from the Bay Area Air Quality Management District for Clean Air Vehicles and Equipment

No. 09-0230                      Resolution authorizing Airport Staff to seek, accept and expend funds from the Bay Area Air Quality Management District to assist Airport vehicle operators in acquiring low-emission vehicles and related equipment.

19. Accept Bids for Domestic Terminals Automated Teller Machines Leases A and B

No. 09-0231                      Resolution approving revised lease specifications, minimum qualifications, and bid requirements, and authorizing staff to accept bids for the Domestic Terminals Automated Teller Machines Leases A and B.

20. Issue a Request for Qualifications (RFQ) for Contract No. 8895 for Background Investigation Services and Negotiate with Contractors in the Pool

No. 09-0232                      Resolution authorizing the issuance of a Request for Qualifications for Background Investigation Services and authorizing staff to conduct negotiations with contractors in the pool.

21. Accept Proposals for the Shoeshine Service Lease

No. 09-0233

Resolution approving the final lease specifications, minimum qualifications and proposal requirements, and authorizing staff to accept proposals for the Shoeshine Service Lease.

22. Modification No. 2 to Contract No. 8851 - Workplace Violence Consultant Services - TAL Global Corporation - \$26,000

No. 09-0234

Resolution approving Modification No. 2 to Contract 8851 with TAL Global Corporation in an amount not-to-exceed \$26,000 for a period of one year, effective November 1, 2009, for a new total contract not-to-exceed amount of \$57,000.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:23 AM.

  
Jean Caramatti  
Commission Secretary





# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

October 20, 2009

9:00 A.M.

Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

President

**LINDA S. CRAYTON**

Vice President

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

Airport Director

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SAN FRANCISCO, CALIFORNIA 94128**



Minutes of the Airport Commission Meeting of  
October 20, 2009

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	1.	Annual Equal Employment Opportunity Labor Force & Activities Report for FY 2008/09 and 2009/10		4-7
E.		ITEMS INITIATED BY COMMISSIONERS:		7-8
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Authorize Fourth Passenger Facility Charge Application	09-0236	8-9
	3.	Approve Qualified Firms and Issuance of RFP for Contract 8933 - As-Needed Baggage Handling System Improvements	09-0237	9-11
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Award Contract 8771 - Terminal 3 Energy Efficient Lighting Improvements - Bass Electric Co.	09-0238	11-12
	5.	Award Professional Services Agreement - As-Needed Airport Planning & Management Services - Runway Safety Area Study - Ricondo and Associates	09-0239	12
	6.	Award Contract 8904 - Psychological Evaluation Services - Law Enforcement Psychological, Inc.	09-0240	13
	7.	Removed from the calendar.		13
	8.	Authorization to Establish a Pool of Pre-Qualified Liquidity and Credit Facility Providers	09-0241	13

9.	Approve Consultant Pool List for As-Needed Environmental Sustainability Services	09-0242	13
10.	Extension of Smarte Carte, Inc.'s Luggage Cart Program Lease and Operating Agreement	09-0243	13-14
11.	Marilla Chocolate Co. - Exercise One, Two-Year Option under Terminal 3 Specialty Store Lease No. 04-0167	09-0244	14
12.	K-Delight Garage Taxi Staging Area Mobile Catering Truck Lease - Exercise Second of Two One-Year Options	09-0245	14
13.	Ratification of Settlement of Unlitigated and Litigated Claims not Exceeding \$10,000 During FA 2008/09	09-0246	14
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## AIRPORT COMMISSION MEETING MINUTES

October 20, 2009

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenheimer

Absent: Hon. Linda S. Crayton, Vice President

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 15, 2009 were adopted unanimously.

No. 09-0235

\* \* \*

### D. DIRECTOR'S REPORT:

1. Annual Equal Employment Opportunity Labor Force & Activities Report for Fiscal Years 2008-09 and 2009-10

The Airport Commission's Equal Employment Opportunity Labor Force and Activities Report for Fiscal Years 2008-09 and 2009-10.

Ms. Theresa Lee, Deputy Director, Administration noted that there is an error on Page 2 of the Commission Memo ... the first of the three columns should read June 2008 compared to June 2009.

The report the Commission received includes information on our achievements and planned activities along with a workforce review and utilization analysis. In the last fiscal year the Airport's workforce decreased nearly 4% from the prior year. The Commission's workforce composition for Fiscal Year 08-09 compared to 07-08 reflects a fairly stable workforce representation based on the labor market availability. However, there are a few notable changes for example, overall European Americans, Hispanics and women continue to be underutilized

at the Airport. The Airport utilizes 211 different job classifications from eight job categories. Depending on the job category under utilization varies from category to category. For example, European Americans are well utilized in the officials, administrators, protective services and craft categories. African Americans are well represented in all categories except technicians, protective services and crafts. Hispanics are well utilized in the paraprofessional and service maintenance job categories. Asians are well represented in all categories except officials, administrators, protective services and craft categories. Women are well utilized in the clerical and paraprofessional categories.

To increase opportunities for all qualified applicants and employees, including the groups identified in the report, and to ensure equal opportunities for all, the Airport plans to focus its outreach recruitment, development and retention activities in the following ways for this fiscal year. We will continue to enhance the Airport's current recruitment and retention efforts by implementing initiatives that will involve Airport section managers and union participation. Explore and implement methods, for example, that will boost the diversity of qualified applicant pools and we will continue with our Airport wide employee recruitment committee. Staff attendance at job fairs, at schools, community organizations and local companies who are downsizing and develop a supervisory mentorship program to support employee retention. These activities are ongoing and are dynamic based on the types of positions we are recruiting or retaining.

In recognition that there are still traditional paths taken by females and males we want to build upon our successful internship programs that expose students to a variety of different occupations and identify opportunities to transition qualified interns to permanent positions. We have successfully captured the attention of youth from low socio-economic communities to participate in our various intern programs. To leverage this we have enhanced our program to include the creation of a custodial trainee program, in partnership with City College and with outreach emphasis to San Francisco residents in the southeastern part of the City and at risk youth. This program will prepare trainees to qualify for custodial jobs at the Airport which can lead them to many other Airport opportunities. We will also assess other trainee opportunities with labor and we will continue to work with the Department of Human Resources on their workforce development projects. We are currently reviewing all retirement and retention status of Airport employees to create customized succession plans for the various Airport divisions. In the past year the Airport Commission has been vigilant in implementing a vigorous program to remove barriers that have prevented equal employment opportunity. The Airport has increased the opportunities for all people to compete for employment and promotional opportunities at the Airport. We will continue with our vigilance to insure that no employment barriers exist and that every individual will have equal access to our jobs and other employment related opportunities.

Commissioner Ito said that the initial statement that "overall European Americans continue to be underutilized at the Airport" is a fair statement however, it is very misleading as it is your leading statement in terms of the report. Her observation and concern, as well as the concern of many sectors of the community with regard to all of the major departments, is that there is a disproportionate or lack of representation of Hispanics, African Americans and Asian Americans in the top

tier of administrators and professionals, and this is where the European Americans are heavily represented in a very disproportionate way. We need to be cognizant of that because that is where as a department we really show some positive mobility.

The Airport has done an outstanding job overall in what we have maintained in light of the economic downturn and the challenges of ferreting out high qualified people. That is why our department runs so well. However, it would behoove us to have a sub-report because we do spend a lot of energy on training and outreach. What does it look like in terms of our internal mobility? How many Hispanics have moved up the ranks into managerial positions. How many African Americans have moved into those positions. For us to have a glimpse of some of those shining examples of our internal efforts in terms of outreach and training would really add to how our statistics look.

We have expanded our outreach in terms of the youth category ... the Japanese Youth Council serves a broad spectrum with mostly African Americans and Chinese Americans and many under-served children. Commissioner Ito would like to see some exploration there to see how that part of the community ... the Western Addition could be included. Ella Hill Hutch is involved, but JCYC has a particular youth program.

Ms. Lee responded that we work very closely with JCYC with their New Waves program. We have been working with them for over 10 years. They are a primary resource for our high school interns and so we try to use that as a feeder for our older youths. We will see what else we can do in the Western Addition as well.

Commissioner Ito added that she like to know the scheduling of your training for sexual harassment prevention and discrimination. How often is it done? Is it just for new employees or is it done annually with our ongoing employees?

Ms. Lee responded that right now we are mandated to have refresher training every two years. It is for all employees and we are actually doing it right now. It's coordinated through the City and the City Attorney. It was first launched this six years ago but prior to that we had sexual harassment prevention training for every new employee, with a refresher course every two years as well.

Commissioner Ito said Page 11 you note that of the current complaints dealt with by the department, 15 were closed. Were they resolved, settled without litigation?

Ms. Lee responded that of the 15 that were closed, seven were resolved to the mutual satisfaction of the complainant by way of mediation, six were closed administratively due to insufficient evidence, and one was closed because the charging party decided to request a right to sue which they normally receive at the end of any investigation when it is conducted by the Airport or the Department of Human Resources.

Commissioner Ito asked if many were received from Fair Employment and Housing where there were cases that you were not aware of?

Ms. Lee did not believe so. Usually staff is fairly on top of this and that is a reflection of proactiveness, not just of the EEO Office but of our managers and supervisors. This reflects informal and formal complaints because we take everything seriously.

Commissioner Ito said that is commendable. When she worked on Policy issues several years ago one of the directives was for departments to take care of the complaint internally before it went to the State.

Ms. Lee responded we don't want to be caught by surprise. We want to fix it.

Commissioner Ito commended Ms. Lee and Flynn Bradley for the internship program. She had a personal experience this summer with a student who was somewhat at risk. She was in college and she had the most positive growth experience at our Airport. The students' parents spoke to her about how they felt that she matured, took responsibility and enjoyed working here. She took public transportation out to the Airport at 6 a.m. She was very motivated. Commissioner Ito thanked Flynn and Theresa for doing a good job. This young girl is probably one of the 50 or so that you deal with every year and if we hear more positive things we will get more support for these programs. They make a huge difference in some of these young adults lives.

Ms. Lee noted that this is indicative of the majority of our interns who have struggled. Our Employment and Community Partnership Office has done a fantastic job and those are the rewards that we get. We've got great mentors. This past year was very busy for us. We had about 50 interns throughout the year.

Commissioner Ito noted that we are doing something with MTC and others

Ms. Lee responded that we've had that for the last nine years or so but we have really focused on at risk youth. We get kids who are single parents in foster care and it makes our job rewarding when they come to work and they hear you. There could be arguments about their behavior but at the end of the day they've learned and they really appreciate the staff for the time they've taken to guide them.

Commissioner Johns was curious about the word "underutilized." Is it a word typically used in these reports? It has a certain connotation.

Ms Lee responded that it is a nomenclature that we use in preparing Equal Employment Opportunity reports. We could use a different word but it is fairly standard and clearly understood in the business ... "utilization" compares the workforce to the available labor market.

Commissioner Johns noted that it almost makes it appear that the Airport is intentionally not utilizing. It caught her by surprise when she read it.

Mr. Lee noted that she will revisit that.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:



There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Authorize Fourth Passenger Facility Charge Application

No. 09-0236

Resolution authorizing the Airport Director to submit a Fourth Passenger Facility Charge Application to the Federal Aviation Administration.

Ms. Cindy Nichol, Manager, Finance said that this item requests Commission authorization for us to submit a Fourth Passenger Facility Charge application to the FAA. To date, the FAA has approved three such applications since 2001. One is currently active and the other two are closed. The active PFC Application No. 3 is being used to pay for International Terminal PFC Eligibility Facilities and some taxiways. The Airport currently has a total authorized collection amount of \$833,000,000. PFCs can be collected in amounts of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50 under Federal Law. The current collection at the Airport is the highest level, \$4.50, which will also be requested in the Fourth PFC Application. The Airport's 1991 Master Bond Resolution specifies that PFCs are not part of revenues for the purpose of paying the Airport's Debt Service unless the Commission designates all or a portion of PFCs for that purpose. This designation must be used up every year that the PFC Revenue is to be used to pay debt service and is done as part of our Annual Operating Budget Process. The Airport is proposing to submit the Fourth PFC Application to the FAA in the Spring of 2010 for approval to collect and use \$390,000,000 in PFC Revenue. That revenue will help pay our debt service and thereby reduce airline rates and charges. The proposed PFC projects are Terminal 2 PFC eligible costs in the amount of \$265,000,000 and reimbursement for completed Airfield Projects that were funded with Airport Revenue Bonds in an amount of \$125,000,000, for a total of \$390,000,000. This has been discussed with FAA which reacted positively and views this as a routine application. We view that as good news. The PFC Application process will take about 11 months and will include consultation with the airlines and a public comment period. We have discussed the proposed application with the airlines informally and received supportive feedback from them. We anticipated FAA approval of the Fourth PFC Application in the Fall of 2010.

Commissioner Johns, by way of clarification, said that the first application ended in January 2004, No. 2 terminated November 2007 and No. 3 terminates in 2017. Are we simply asking to be able to include more items? It's the same amount so we are going to continue to do what we did for application No. 3 and then ask to include other items that are indicated here.

Ms. Nichol responded that the FAA treats the applications sequentially. We are asking for \$390,000,000 so that will add on to the \$833,000,000 and the



termination date will be moved 6 ½ years into the future. They basically allow you to collect until you've collected the full amount. Of that \$833,000,000 we've collected about \$440,000,000 to date so we have about \$390,000,000 to go.

The good news is that the FAA allows us to use PFC revenues for any of the projects that are approved. Since monies do not have to be used sequentially, once we get this application approved we can start using it for T-2 immediately.

Item No. 3 was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

3. Approval of Qualified Firms and Issuance of Request for Proposals for Contract No. 8933 - As-Needed Baggage Handling System Improvements - \$1,000,000

No. 09-0237	Resolution approving qualified firms, following an RFQ process and (Step 1) authorizing the issuance of a Request for Proposal (Step 2) for Design-Build Services for Contract 8933, As-Needed Baggage Handling System Improvements in the amount of \$1,000,000 for the first year of services, with two (2) one-year options.
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Mr. Ivar Satero, Deputy Director, Design and Construction said that this item provides for two actions. One approves the short list of qualified contractors to perform as-needed Baggage Handling System (BHS) Improvements, and the other authorizes issuance of an RFP for these services to the short listed of firms.

The Airport owns many of the baggage handling systems in the Terminal Complex including the one installed in the International Terminal which was the first of its kind that had an in-line EDS System. That was completed in 2000. Since 2000 the Airport has installed in-line EDS screening at all of the Airport owned systems, fully compliant with TSA requirements. Because of all of the new requirements for EDS screening the technical complexity of these systems has increased substantially and the capital investment requirement in the systems has increased substantially. As a result, the systems are now more subject to technical obsolescence and in some instances, due to the aging of the systems, we are seeing more frequent failures of equipment and end of life issue of service. Up to this point we have addressed these issues with the Baggage Handling Systems through mods to existing contracts both for the design and for the construction. However, given the size and complexity of these systems we recognize that there is an ongoing need for baggage handling system improvement services to address both the end of life subsystem issues and improve upon operational efficiency as technology improves. It is also imperative to have a quick response tool to address these issues given the critical-to-operations nature of the Baggage Handling System. We entered into this RFQ/RFP process. In response to the RFQ for these services we received five statements of qualifications. We convened a three member selection panel to review and score the submittals. The submittals were evaluated based on past performance on similar projects, relevant experience, organizational structure and the experience of the key personnel.

Based on the scoring the top ranked firms are D.W. Nicholson, Quatrotec and Glide Path. In regards to the RFP we will reconvene the selection panel and evaluate the proposals based on the one providing the best value for the required services. The criteria will consist of the quality of the proposals in providing the services as well as a cost component as allowed by the Administrative Code for the design build services. We will then return to the Commission with the recommendation to award a contract to the highest ranked proposer.

The contract will provide for the reimbursement of actual costs based on the submitted cost structure with the proposals and then once we identify a task we will request a proposal from the firm award of the contract, negotiate scope, staffing and schedule with the firm and then the labor rates and markups will apply as negotiated. This will become part of the contract which the Commission then awards. We will work with the HRC to develop the participation goals for this contract. The estimated contract amount is \$1,000,000 per year, up to three years of service at the Commission's discretion.

Commissioner Ito asked if there is an airport that we might want to model. Our process is one of the slowest in terms of retrieving luggage.

Mr. John Martin responded that this is not our process, it's the airlines. He takes real pride in the work that Ivar and his team have done. Our baggage system has set the standard for the industry but the airlines don't always properly staff the operations of the baggage systems. In the Domestic Terminals most of the baggage systems are owned by the airlines and the maintenance of the systems is theirs as well. It is the staffing that is the problem ... and that's the airlines.

Mr. Satero said that there are two issues ... this is the outbound system so this is the screening of all the checked bags that go through the system before they get on the aircraft, and Commissioner Ito's point is the inbound.

Commissioner Mazzola asked if the scoring system is done without pricing.

Mr. Satero responded that it is.

Commissioner Mazzola and it is just on past performance or it is on what you reported here.

Mr. Satero responded for the qualifications stage.

Commissioner Mazzola asked what that means to the next phase when you are given the design/build and put a price on it.

Mr. Satero responded that we consider these three firms the most qualified of the five that submitted SOQs. We will now ask for specific proposals on a wide array of baggage handling system improvements and we will ask for cost information. We will then reconvene the selection panel and evaluate those proposals, which are more specific to the type of work they will be doing at SFO, and have the cost component with them. From that we will determine the highest ranked proposer and recommend that the Commission award a contract to that firm.

Commissioner Mazzola assumed that these numbers are for information.

Mr. Satero responded that they are.

Mr. Martin said that it's a new scoring process.

Mr. Satero said that it's a brand new process ... they are all equal now.

Commissioner Mazzola said that if it's a new process he is not sure that he agrees with it. The whole thing about Design Build is the contractor that has the biggest staff behind them for engineering usually wins. The smaller contractor doesn't have the big engineering firms and he does not believe that they have much of a chance. He is not yet sold on Design Build being as fair as competitive bidding. He is not against trying it, but he doesn't understand it. We've had Design Build forever but now under a package for bidding for public jobs he doesn't know where it fits. He will be interested in following this to see where we go and how we get to these scores, how we credit these people with these scores. Are they all local contractors? We don't know by this scoring system what we are really getting. We had some idea of what was up before. How does HRC fit into this? In your next phase will you will ask your contractors to give you HRC subcontractor numbers and a breakdown.

Mr. Satero responded that we will set a minimum goal for them to achieve.

Commissioner Mazzola said that this item is asking the Commission to authorize staff to go out for bid for Phase 2 of the process.

Mr. Satero said that is correct.

Commissioner Mazzola said that he is not sold on this yet but he is willing to try it and see where it goes.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 7 was removed from the calendar. The Consent Calendar, Item Nos. 4 through 6 and Nos. 8 through 13 was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Award of Contract No. 8771 - Terminal 3 Energy Efficient Lighting Improvements  
Bass Electric Company - \$1,089,648

No. 09-0238

Resolution awarding Contract No. 8771, Terminal 3 Energy Efficient Lighting Improvements, to the lowest responsive, responsible bidder, Bass Electric Company, in the amount of \$1,089,648.

Commissioner Johns asked why the Engineer's Estimate did not include the fixed price additive alternative because the additions change the bid amount. Their

estimate what they had was \$850,000 and BASS Electric came in at \$764,000 but when you look at the add ons it is \$1,089,648.

Mr. Ernie Eavis, Deputy Director, Facilities responded that the added alternatives would be the same for each contractor. Bids are coming in way under what they should be and want to make sure that we utilize the budget. We are using the same bid items at the price submitted by the low bidder but we are increasing the scope of work. This does not give unfair advantage to any one of the contractors.

Commissioner Johns did not understand why we could not have had an estimate on the add-ons.

Mr. Eavis responded that we do have estimates on those items because they are the same items that were bid on in the base bid. It will be up to the project manager to take those items and expand the area that is going to be incorporated under this contract ... it adds money to the budget.

Mr. Martin added that the bids are coming in way under ... we are seeing a variation in how far they are coming under. Ernie wanted to be able to make sure that we take full advantage of the budget. All of the bidders ended up bidding against the same package so we have maintained a level playing field, but Commissioner Johns would have rather have had it all in the original bid.

Commissioner Johns said that it didn't make sense, but understands what we are trying to do.

Commissioner Guggenlime stated the engineer's estimate is on the base package. What is the Engineer's estimate on the add-ons? How do we know that's is an accurate number?

Mr. Martin responded that everyone is kept honest because they are all bidding on the same thing ... on the alternates.

Mr. Eavie added that the unit prices might contain 60 different categories of work and we have \$250,000 for the add alternative. We look at those unit prices and take the best buys that we can with the extra money.

Commissioner Johns understood that the alternates are at a fixed price and if they come in at a lower price then we can get more work done on those extras.

5. Award of Professional Services Agreement - As-Needed Airport Planning and Management Services - Runway Safety Area Study - Ricondo and Associates - \$400,000

No. 09-0239

Resolution awarding a Professional Services Agreement not-to-exceed \$400,000 to Ricondo and Associates for As-Needed Airport Planning and Management Services including completion of the Runway Safety Area (RSA) Study.



6. Award Contract No. 8904 - Psychological Evaluation Services - Law Enforcement Psychological Services, Inc. - \$42,000

No. 09-0240 Resolution awarding Contract No. 8904 for Psychological Evaluation Services to Law Enforcement Psychological Services Inc., for a total not-to-exceed amount of \$42,000 for five years with two (2) two-year options.

7. Item No. 7 was Removed from the Calendar

8. Authorization to Establish a Pool of Pre-Qualified Liquidity and Credit Facility Providers

No. 09-0241 Resolution authorizing establishing a pool of pre-qualified firms to provide liquidity and credit facilities during the next two years to support the Airport's Variable Rate Bonds, Revenue Notes and Commercial Paper Program.

9. Approve Consultant Pool List for As-Needed Environmental Sustainability Services

No. 09-0242 Resolution approving consultant pool list for As-Needed Environmental Sustainability Services. The pool will provide the necessary expertise in support of Airport Staff on various sustainability tasks. The tasks are related to SFO's environmental sustainability initiatives, which the Airport is implementing to meet and exceed City goals and mandates, as well as to maintain SFO's leadership position in environmental stewardship.

10. Extension of Smarte Carte, Inc.'s Luggage Cart Program Lease and Operating Agreement

No. 09-0243 Resolution exercising the fourth of five one-year options to extend the term for Smarte Carte, Inc.'s Luggage Cart Program Lease and Operating Agreement No. 01-0343 for an extension term of April 1, 2010 thru March 31, 2011, and directing the Commission Secretary to seek Board of Supervisor approval for the same.

Commissioner Ito asked if Smarte Carte still sells advertising on their carts.



Mr. Martin responded that the Board of Supervisors has never acted on our request to allow advertising on the carts.

Commissioner Ito noted that it went to the Board long ago.

Mr. Martin responded that he thought it was three years ago. Cathy Widener is talking to Board members about seeing if we can move on it.

11. Marilla Chocolate Company - Exercise One Two-Year Option under Terminal 3 Specialty Store Lease No. 04-0167

No. 09-0244                      Resolution exercising the one two-year option to extend Marilla Chocolate Company's Terminal 3 Specialty Store Lease No. 04-0167, for an option term of April 25, 2010 through April 24, 2012.

12. K-Delight Garage Taxi Staging Area Mobile Catering Truck Lease - Approval to Exercise Second of Two One-Year Options

No. 09-0245                      Resolution to approve exercising second of two one year options of K-Delight Garage Taxi Staging Area Mobile Catering Truck Lease.

13. Ratification of the Settlement of Unlitigated and Litigated Claims not Exceeding \$10,000 During FY 2008-2009

No. 09-0246                      Resolution ratifying the settlement of unlitigated and litigated claims for FY 2008/09 amounting to \$14,890.57.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Terry Karges, Sr. Vice President of Rousch. (Submittal) We are a Michigan based company, an engineering and racing company actually. We have been Ford Motor Company's primary power train advanced engineering tier 1 supplier for almost 35 years now. And I guess what that means is that if there is a vehicle with a Ford blue oval on it and four wheels or more we've got our fingerprints all over it. We are also the world's largest racing company by virtue of the number of teams that we put out on the field. We've only got a couple of cars in the chase for the championship this year but we field 13 our own NASCAR teams.

What we have done in connection with a group called PERC (Propane Education and Research Council) is develop a propane fuel system for Ford vehicles, the first of which was an F150 that is CARB and EPA approved. And on the next generation vehicles I wanted to make sure that you all were aware that we will receive CARB approval on that engine package within ....we are guesstimating ... they told us November 1<sup>st</sup>;; we are thinking probably by November 15<sup>th</sup>. The significance of which is that that would allow propane fueled vehicles to meet your requirement that 25% of the shuttle fleets serving the Airport can be converted by May 31<sup>st</sup>, the mandated first deadline for 25%. Those are the ingredients that I wanted to really say.

What you are looking at here is a presentation that we made to AQMD down south last week and it really was based on...they have a million dollar credit or rebate that they want to provide and what we did was do an analysis of what would that million dollars buy. In fact we are also working with the CEC who have asked us to provide a proposal or recommendation on what is the fastest way to use the money from AB118 to reduce the carbon footprint and take action. But on that first page EPA approval is coming. We are significantly less expensive and this is a big issue with the shuttle operators. Propane conversion is about \$10,000 as opposed to almost \$18,000 on a CNG. Also the infrastructure costs are virtually free. Most of the propane providers will put infrastructure in at no cost. They can do a pretty adequate job for about \$50,000. An equivalent would be any where from half a million. The only thing I would say is that back on the AQMD page there is a conversion page there, one million spent on propane versus CNG actually displaces more than a million gallons more of gasoline then CNG, so it is a huge opportunity for the shuttle operators. It is actually the shuttle operators who asked me to come and make the presentation so that you folks would be aware of what's going on, especially on the financial issues. Thank you so much.

Mr. Arianto Quenta was with Emporio Rulli for about one and a half years as a cashier and a barista. I made a presentation at the Airport Commission in May. I was fired by Emporio Rulli in early April, two days after I get selected to my supervisor that I supported the union and I was the union committee. Before I was fired I was questioned several times about the union. I believe I was fired because I wanted to form a union at Emporio Rulli. At the time I didn't know that Emporior Rulli was breaking the law. After I saw you we spent two days in arbitration about Emporior Rulli's entire union actions. On August 4<sup>th</sup> the arbitrator said that Emporio Rulli broke the agreement with the union; to be positive towards the union. The arbitrator said that Emporio Rulli was wrong to interrogate us about the union and wrong for Emporio Rulli to fire me. and Federico Morillo. The arbitrator said that Emporio Rulli had to give me my job back. My goal is for employees to be treated with respect and to stop Emporio Rulli from intimidating employees.

I was very glad that we won my job back but it has been more than two months since the arbitrator said I should be back at work. Other members of the union committee continued to be discriminated against by management, so I ask the Airport Commission to give Emporio Rulli a warning about not following their own rules. They need to be watched carefully. Make sure they follow labor laws and their agreements with the union. Thank you very much.

Commissioner Mazzola said to Mr. Quenta that he won in arbitration to get his job back but they've not put him back since he won. Perhaps this can be elaborated on later.

When you win in arbitration you are supposed to be put back so we will have staff look into that.

Mr. Jose Raul Guevara, had his remarks translated for him. I work for Lori's Diner for four years and I am one of the members of the union committee. We want a union so that everybody has the right to ask for better benefits just like the workers in Terminals 1 and 3 who are organizing in the union. Since the beginning, since we decided to organize the union the management launched a campaign really strong against the union. Since the moment that we gave management the card saying that we wanted the union the management team have done many things to try and avoid it such as interrogating the majority of the workers asking why we wanted the union and how we contacted the organizer. They made threats ... our managers said that with the union we would lose benefits and that the union only wanted our money. They made promises ... our managers offered better benefits if we renounced our support for the union. These tactics didn't work and all of the workers signed the union cards to support the union. In June 9, 2009 we won the union but around that time the company brought in other workers, including people who were good friends of the owner and managers from other restaurants. They gave us new bonuses for our anniversary, they gave us bonuses for arriving on time, they also gave us the biggest raises that we have seen in all of our time at Lori's. All of this was to avoid the union. Recently, the new workers that Lori's brought in sent a petition to eliminate the union. They want an election to try to take the union and this is not right. Supposedly, Lori's has to maintain a positive attitude towards the union, but this is far from the truth. What we want is a union and we want Lori's to respect our rights. Thank you.

Mr. Jesse Johnson, union member. I have worked in the Domestic Terminal for the past 26 years. I worked for Host International before the dissolution at the Airport. Now I work for Creative Hosts, one of the new vendors. Our union members in the Domestic Terminals are weary of the way our fellow workers are being treated in the International Terminal. They are doing the same work for some of the same companies for less pay. In addition we are displeased with the way some of the companies in the International Terminal who have signed agreements that state they would not fight unionization. We would like for the Airport Commission not to allow this obstruction of organizing to continue. We in the Domestic Terminals are ready to support our colleagues in the International Terminal in this endeavor. I thank the Commission for your time.

Mr. Kevin O'Connor (submittal), organizer for Unite Here Local 2. We represent folks at the food service in the Domestic Terminal and, as you've heard, have been organizing the folks in the International Terminal. Several months ago Mike Casey, the President of Local 2, was here and spoke against the extension of leases for the food service operations in the Domestic Terminals. At that time you voted four to one in favor of extending those leases. Mr. Casey said there would be problems with these employers and clearly this has come to pass. In our view, and now the view of an arbitrator's decision, Emporio Rulli in the International Terminal has been flaunting their agreement not to oppose workers rights to organize. The opinion and award is there ... decision is on Page 21. As you've heard Lori's Diner has engaged in multiple actions in violation of their agreement and we are attempting to defend these workers through arbitration and through multiple unfair labor practice charges that are filed with the National Labor Relations Board of the Federal Government. But these remedies are often lacking. So, the leases have already been extended, so our question is what will the Commission do

to make sure that these employers live up to their agreements. We thank you for your consideration.

Commissioner Mazzola noted that there were arbitrations for two workers and asked if the other worker was hired back.

Mr. O'Connor believed that we are in the process. Ari is here today and he is in the pipeline. It has been one obstruction after another. He is now waiting for his fingerprints to come back. There is a letter that is supposed to have gone to the workers ... just this week I had to send them in writing our objections to the incomprehensible memo that they suggested be sent out to people. Nothing that has been ordered has been accomplished yet, except for what we were supposed to do.

Commissioner Mazzola noted that these workers are to get back wages.

Mr. O'Connor responded that they are. But it won't address the underlying problem of what they've done. The whole point was to poison the atmosphere so that workers would never have a union. The arbitrators award doesn't fix that. There is still work to be done.

Commissioner Guggenheim noted that Judge John Kagle rendered his decision on August 4<sup>th</sup> and we are now almost in November.

Commissioner Johns said that is ridiculous,

Mr. O'Connor we are with you on that.

Commissioner Mazzola said some of that, according to Kevin, is not about the employer. If they are waiting for fingerprinting that might be on the Airport. If he was already cleared, why is taking so long the second time.

Mr. O'Connor said that the delay, in our view, has all been Emporio Rulli. Ari was ready to go back and they said no, you didn't give us this form and you didn't give us that form.

Commissioner Mazzola said that when unions try to organize it's always an uphill fight. We, at the Airport, tried to smooth away some of it under the QSP. But we have in there card check neutrality ... that they would be neutral and not be so against the union. He asked the Director to have his staff look into how obstructional they are being. Perhaps it violates our neutrality agreement. Perhaps we can put some pressure on them. This Commission can't tell them to organize, but we can tell them to be neutral.

Commissioner Johns said that she recalled when this issue came before us the last time we talked about the fact that the Airport was going to do more enforcement of the rules and that we were going to set up some procedures so that we could make sure that the rules that we expect are followed. Are we doing that?

Mr. Martin responded that Carl Bunch is monitoring this and we do need to keep getting information from the union. He encouraged Kevin to contact Carl directly with the



detailed information. He is very committed and has the direction to ensure that the rules are followed. He has also communicated directly with the owners that they need to review the rules on Card Check Neutrality and ensure that they are following it.

Commissioner Johns said that she would like to see us get ahead of the game here so that we don't have to hear these complaints.

Mr. Martin said that it is very important that Kevin come forward immediately to Carl Bunch and inform him where he thinks there is a violation by a tenant of the rules so that we are notified right away. That is the best way to do it. It has been four weeks since he last had a meeting. It would be terrible if Carl didn't have important information for four weeks and was not able to follow up.

Commissioner Ito asked, with regard to this particular arbitration, if there a timeline that some compliance and response has to be met legally. If this concessionaire is not meeting up legally to his requirement that there is some repercussion on the part of his contract and good faith in his contract with our Airport.

Mr. Martin advised the Commission that we are hearing one side, and it may well be the right side, but it just isn't fair for us to reach conclusions without hearing both sides.

Commissioner Ito agreed. She just wanted to know the parameters because it seems that three months is excessive to hear what we are hearing today.

Ms. Molly Stump, General Counsel said that ultimately it may be that the parties return to the arbitrator for additional guidance, that the union is surely working with our counsel to ensure that the order is executed at some point in a reasonable way. She asked Mr. O'Connor if he had anything to add.

Mr. O'Connor said that we are pursuing this. The award is ultimately going to get fixed, but in terms of the organizing and protecting worker's rights to ultimately have a union is the tip of the iceberg. It is very frustrating. It will happen. I am sure they would have loved Ari and Federico to have gotten frustrated and say forget it, we won't go back. That is not going to happen. It is ultimately going to get there. We are not pleased with the time it is taking but it will get done ... hopefully soon. But we are still left with the residual effect which is why they did this.

Commissioner Mazzola said that if we find that these employers are violating our neutrality it should be noted if they are applying for anything new in Terminal 2. If they are harassing the union here they'll be harassing the union there.

Mr. Martin understood.

Commissioner Johns agreed but hoped that we would let one or two bad apples ruin what is a very excellent program at the Airport. She hoped that the Airport can do something to get ahead of this and not have any of these instances where any of the neutrality agreements are being violated, if they are.

Mr. Martin said that we have heard complaints in the past and had Carl Bunch review them and did not find the basis of their being in formal violation of the lease provisions,



so we don't have information that says they are in formal violation. He communicated Larry's concerns directly to the tenants that we expect them to follow the rules and to be good employers beyond what the lease requires. There have been several tenants who have signed on in the International Terminal and have active union agreements and good relations with the unions ... some from the very beginning ... 10 years ago.

Commissioner Guggenheim asked for an informal report on what we are doing regarding H1N1.

Mr. Martin said that he would provide something.

Commissioner Ito heard that St. Mary's is issuing flu shots ... not H1N1. Is our clinic at the Airport giving flu shots?

Mr. Martin stated yes we give free flu shots to Airport Commission employees and offer flu shots at a low price to other Airport employees, but they have run out of the vaccine.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

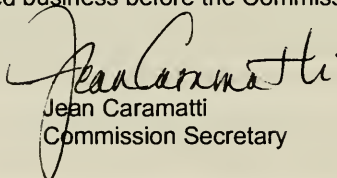
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:05 A.M.

  
Jean Caramatti  
Commission Secretary

**ROUSH**

# **Auto Propane**

**The United States Best Kept Secret**

# Why ROUSH Propane Vehicles?

## ROUSH

- EPA & CARB certified in Q1 2010-well ahead of May airport deadline
- Significantly less expensive to convert allows for quicker transition from gas to propane (\$10,000 for propane and \$18,000 for CNG)
- Easy to add propane fueling infrastructure and in many cases it is free. CNG fueling infrastructure is very expensive to add due to much higher operating pressures.
- 97% of propane comes from North America-reduces our dependence on foreign oil
- Clean burning-19% reduction in greenhouse gas emissions
- Cost effective-less than \$1 per gallon within fleet applications and available tax incentives

# Why ROUSH Propane Vehicles?

## ROUSH

- Propane is the 3<sup>rd</sup> most common engine fuel in the world behind gas and diesel
- Significantly longer range the comparably equipped CNG vans
- Adds minimal weight to van versus 600lbs for CNG-added weight will reduce passenger load and increase cost of maintenance (i.e. brakes)
- Ship-thru is available reducing transportation costs
- Much lower operating pressure in vehicle-225 psi for propane and 3,600 psi for CNG
- Much more expensive to maintain CNG tanks.
- Propane has the narrowest flammability range of any fuel



# Why ROUSH Propane Vehicles?

**ROUSH**

- When comparing the environmental impact of propane and CNG it is important to look at the complete lifecycle of the fuels. The amount of electricity required to run CNG fueling stations is significant and the carbon impact is just as significant. When comparing the complete lifecycle of propane and CNG they are equally as clean and when you look at conversion costs being significantly higher for CNG the AQMD funds would displace more gas and diesel powered vehicles with propane than CNG.



# Why ROUSH Propane Vehicles?

## ROUSH

AQMD OFFERS \$1,000,000 TO COVER 100% OF THE INCREMENTAL COST TO CONVERT A E-350 GAS POWERED VAN TO PROPANE OR CNG WITH A RANGE OF 300 MILES PER FILL-UP. ASSUME THE SHUTTLE COMPANIES DRIVE 100,000 MILES PER YEAR AT AN AVERAGE OF 13 MPG ON THE GAS ENGINE WHICH EQUATES TO 7,692 GALLONS OF GAS CONSUMED PER YEAR.

### I. CNG (AVG CONVERSION COST OF \$15,000):

A. VANS CONVERTED FROM GAS TO CNG: 67

B. GALLONS OF GASOLINE DISPLACED: 67 VANS X 7,692 GALLONS= 515,364 GALLONS PER YEAR

C. GALLONS OF GAS DISPLACED OVER LIFE OF THOSE 67 VANS (ASSUME 400,000 MILES): 4 YRS X 515,364 PER YEAR= 2,061,456 GALLONS

### II. PROPANE (AVG CONVERSION COST OF \$10,000):

A. VANS CONVERTED FROM GAS TO CNG: 100

B. GALLONS OF GASOLINE DISPLACED: 100 VANS X 7,692 GALLONS= 769,200 GALLONS PER YEAR

C. GALLONS OF GAS DISPLACED OVER LIFE OF THOSE 100 VANS (ASSUME 400,000 MILES): 4 YRS X 769,200 PER YEAR= 3,076,800 GALLONS

THE SAME \$1 MILLION SPENT ON PROPANE VANS WILL DISPLACE MORE THAN 1 MILLION MORE GALLONS OF GASOLINE THAN THE \$1 MILLION SPENT ON CNG VANS. THE OTHER REALITY IS THAT MORE THAN LIKELY SOME OF THE \$1 MILLION WILL HAVE TO GO TO CNG FUELING INFRASTRUCTURE AS FLEETS CANNOT AFFORD THE SIGNIFICANT CNG FUELING INFRASTRUCTURE. PROPANE DISTRIBUTORS WILL GIVE THE FUELING INFRASTRUCTURE AWAY FOR FREE SO ALL \$1 MILLION GOES DIRECTLY TO REPLACING GAS/DIESEL POWERED VEHICLES.

# ROUSH E-150/250/350

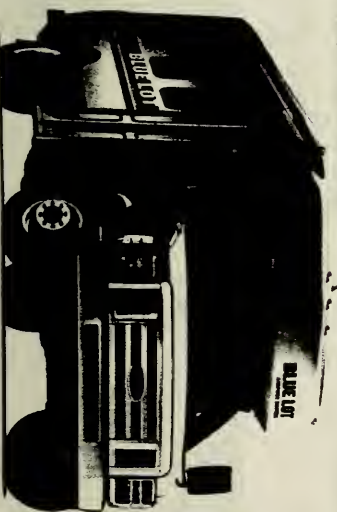
**ROUSH**

- 2009 and newer models with 5.4L 2V engine
- Works with cargo and passenger van applications
- Works with single rear wheel van based cutaway
- Under-bed tank offers 300 mile plus range
- Delivery beginning January
- Ship-thru is available

# E-350 & 450 cutaways

## ROUGH

- 2009 and newer E-350 cutaway with 5.4L engine and E-450 cutaway with 6.8L engine
- Tank configuration still in development but a minimum of 300 miles is targeted
- Will work in conjunction with body builder applications (shuttles, box trucks, etc)
- Delivery to begin Q3 2010



# Summary

## ROUSH

- Propane is a bi-product of the natural gas refining process
- When measuring the methane hydrocarbons released by CNG propane is just as clean if not cleaner
- Ultimate goal of displacing gas/diesel can not be reached by just one fuel source
- Allow options for shuttle operators
- Money invested in propane vans allows for faster displacement of gas/diesel due to lower conversion and fueling infrastructure costs



IN ARBITRATION PROCEEDINGS PURSUANT TO THE  
COLLECTIVE BARGAINING AGREEMENT BETWEEN THE PARTIES

UNITE HERE LOCAL 2,	]	
	]	Opinion and Decision
	]	
Union,	]	of
and	]	
	]	John Kagel
	]	Arbitrator
EMPORIO RULLI,	]	
	]	
	]	August 4, 2009
Employer.	]	
	]	Palo Alto, California
Re: Union organizing	]	

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APPEARANCES:

For the Union: Kevin O'Connor, UNITE HERE Local 2, San Francisco, CA

For the Employer: Steven Kesten, Esq., San Anselmo, California

EMPLOYER OPERATIONS:

Employer has a bar and café in the San Francisco Airport's Domestic Terminal, represented by Local 2, which includes the representation of Shift Leads. It operates coffee and pastry kiosks at the entrance to the A and the G Gates as well as the Arrivals area of the International Terminal which are the subject of a Union organization effort involved in this case. They are open 18 hours daily.



## BACKGROUND:

### Timeline:

September 8, 1999: Employer and Union's predecessor enter into a Memorandum of Agreement which reads in part:

"...The parties hereby establish the following procedure for the purpose of ensuring an orderly environment for the exercise by Employees of their rights under Section 7 of the National Labor Relations Act and to avoid picketing and/or other economic action directed at the Employer in the event the Union decides to conduct an organizing campaign among Employees.

The parties mutually recognize that national labor law guarantees employees the right to form or select any labor organization to act as the employees' exclusive bargaining representative for the purpose of collective bargaining with the Employer, or to refrain from such activity.

The Employer will take a positive approach to unionization of Employees. The Employer will not do any action nor make any statement that will directly or indirectly state or imply any opposition by the Employer to the selection by such employees of a collective bargaining agent, or preference for or opposition to any particular union as a bargaining agent.

The Union and its representatives will not coerce, restrain or threaten Employees in an effort to obtain authorization cards....

...The arbitrator ... shall have the authority to order a non-complying party to comply with this Agreement ..." (Jt. Ex. 1)

January 17, 2008: Counseling notice to Dennis Heringer re insubordination. (Er. Ex. 7)

February 2, 2008: Counseling notice to Federico Murillo: Failure to follow proper closing procedures, insubordination, and excessive tardiness. Two shift suspension. (Er. Exs. 5-6)

March 19, 2008: Counseling notice to Federico Murillo: Second notice regarding excessive shortages. (Er. Ex. 4)

June 11, 2008: Dennis Heringer loses keys for four days without report to Supervisor. (Er. Ex. 9)

July 29, 2008: Counseling notice to Dennis Heringer that case drawer short \$7.86 without explanation..

November 13, 2008: Counseling notice to Federico Murillo: Francis Flores, known as Ryan, took a panini without paying for it and Murillo did not take corrective action, wiped his forehead several times and did not wash his hands, and excessive tardiness. (Er. Ex. 3)

April 8, 2009: Union writes of its intent to organize Employer's International Terminal employees; that employees Dennis Heringer and Cristina Corzo are members of the Local's Organizing Committee and "actively working to form their union." (Un. Ex. 3)

April 8, 2009: Murillo testified that Shift Leader Nancy spoke to him on a Wednesday in April, asking him if the Union had approached him and asked three times if he was going to join the Union. (Tr. 22) He told her he didn't have any money at that time to pay dues. She said that the dues were too high; that if he joined the Union his benefits would be taken away and if he had a problem the Union would not help him. (Tr. 16-17) A prior Manager six or seven months previous had told him that the sister of the owner, Lauren Doyle, had said that she didn't want the Union because of some problems

she was trying to get rid of and couldn't because of the Union in the Domestic terminal.

(Tr. 20-21)

April 10, 2009: Initial response from Employer to Union letter of April 8. (See Un. Ex. 13)

April 11, 2009: Francisco Murillo performance review and termination. (Un. Er. Exs. 1, 2) This was the first such review for any employee: (Tr. 25)

"...Overall, Mr. Murillo, Federico barely meets company's job performance expectations. He has been with the company and doing the same job routine for at least 4 years now, his performance has gone from mediocre to below our standards necessary to run quality operations. He can meet job requirements only when he is giving specific direction from management which is constant during his shift. After numerous attempts in training and retraining even by Upper management's Operations Manager over the years, it has become necessary for us to make some actions formal. He is one of the employees that has received the most formal counselings in the last 14 months and as detailed above, has more work related issued regarding our policies and procedures in place both administratively as well as day to day operation and daily job tasks/duties....

Due to business needs and the economic situation which dictates better attention to business needs, we must focus more on our Customer Service as well as managing our day to day operations more efficiently. Because of Federico's disposition in the workplace, his lack of showing any intent to improve, we deem it necessary to terminate employment relations effective immediately." (Un. Ex. 1)\

April 13, 2009, 6 p.m.: Union letter adding Arianto Quente [sic] as member of organizing committee "and is actively working to form a union." (Un. Ex. 10, Tr. 143)  
Faxed copy also sent. (Tr. 204)

April 14, 2009: April 13 letter shared by Office Manager with owner Gary Rulli.  
(Tr. 207)

April 15, 2009: Quenta terminated:

"Incident / Occurrence:

This afternoon I walked up to the G Kiosk and Ari had just served a customer some drinks. She was telling him they were not the right drinks, they had chocolate. He just walked away from her so I stepped up and asked what the problem was. She said that he gave her chocolate milk and she had ordered 2 nonfat milks. He did not apologize or in any way acknowledge the customer. I told him to get her the non fat milks. She was holding her receipt and I checked it and it said 2 -12 oz milks. There was no chocolate on there nor any other drink with chocolate so there should have been no confusion. He gave her the cold milks one at a time walking back and forth and not trying to hurry in any fashion. He never did apologize and went back to what he was doing. The customer recognized me from our restaurant location and I chatted with her and smoothed it over. They were a couple from Canada who are regulars when they come in to the country. Ari's behavior was unapologetic, unprofessional and embarrassing for the company. He has not improved his customer service skills at all that I could observe from the last time I was here several months ago and an apology for a mistake is the very least that would have been expected. ...

Due to overall poor work performance as seen in attached review, Ari is being terminated." (Un. Ex. 11)

April 15, 2009: Quenta terminated:

"Incident/Occurrence:

On Sat April 11<sup>th</sup> a co-worker reported to the store manager, Serena Chen, that when Ari was leaving the G Kiosk at 6:30 pm on Tuesay [sic] April 7<sup>th</sup> that he reached into the showcase and walked off with a fresh OJ. This was not paid for and Serena found no receipt as is required by company policy. This constitutes employee theft....

Due to overall poor work performance as seen in attached review, Ari is being terminated." (Un. Ex. 12)

April 15, 2009: First ever written Quenta Performance Review: (Tr. 147)

Overall, Mr. Quenta. Ari barely meets company's job performance expectations. He has been with the company and doing the same job routine for a year and a half, his performance has gone from

mediocre to below our standards necessary to run quality operations. He can meet job requirements only when he is giving specific direction from management which is constant during his shift. After numerous attempts in training and retraining even by Upper management's Operations Manager over the years, it has become necessary for us to make some actions formal....

Ari a shows very little enthusiasm or any positive emotions about being an employee....

Due to business needs and the economic situation which dictates better attention to business needs, we must focus more on our Customer Service as well as managing our day to day operations more efficiently. Because of Ari's disposition in the workplace, his lack of showing any intent to improve, we deem it necessary to terminate employment relations effective immediately." (Er. Ex. 11)

April 15, 2009: Employer provides list of employees to Union per Union request of April 8. (Un. Ex. 13)

April 16, 2009: Corzo Performance Review, first she ever received: (Tr. 45) "Does a good job." (Er. Ex. 2)

April 28, 2009: Letter delivered to Shift Leader Nink at kiosk a group of people including persons from Clergy United for Economic Justice (CLUE), signed by the The Rev. Dr. Gabriele Schroeder, Our Redeemer's Lutheran Church, South San Francisco. (Er. Ex. 1)

Substantial testimony showed that Heringer advised Nink that a someone wanted to deliver a letter, although Heringer knew of the CLUE delegation waiting for her in advance. Corzo was present in the group. Nink felt that the physical aspect of what occurred was threatening and harassing towards her. The Union stipulated that it would not take part in any similar action.



April 29, 2009, first Performance Review for Heringer:

Overall, Dennis Heringer barely meets company's job performance expectations and is in fact below expectations in many areas. He has been with the company and doing the same job tasks for 8 years and his performance and attitude has become worse. In the past, he met and even exceeded job requirements. But in the last 14 months, Management has had to issue numerous counselings, both verbal and written (see attachments). Dennis has made it evident to us that he will meet our standard requirements only when he feels like it. He has gone so far as to express his disinterest in his job and managements directives in a very unprofessional and insubordinate/hostile-like manner. He has frequently intentionally neglected his standard opening job duties that he has been doing for over 4 years which has created business disruption for co-workers and management.

As a reminder, Dennis is part of an ongoing police investigation that began in the fall of 2007 into the theft of a large amount of company receipts and tampering with register equipment. He was interviewed by the police and shown video of himself and his involvement in the case. He was uncooperative with the police at that time. That investigation is still active. [See also Tr. 169 and attachment to Employer brief.]

Dennis has stopped demonstrating commitment, dedication, cooperation, and positive behavior while working with others. He often expresses negative and even hostile-like attitude when he is upset (for whatever reasons unknown to others & management) and most expressive when being counseled regarding his mediocre job performances and/or Work Rule violations. His hot temper and attitude often indirectly and adversely intimidate his co-workers and thus creating an unpleasant and hostile work place which is a Work Rule violation. He also has been abandoning his post frequently leaving his co-worker alone even during peak business service without notice to management or his co-worker-another Work Rules violation. He constantly ignores corporate & management's directives to use the Aloha system for 'paid break' *every* time he had to leave the kiosk for any reason and punch back in when he came back to his post. He has been observed having his personal iphone out while on company time and for non-company business in the back of the kiosk which is yet another violation of company policy....

Due to the numerous counselings on Work Rule violations, basic daily job duties and overall performance & attitude, Dennis must

immediately demonstrate and implement our standard operating requirements in the work place or he will be suspended and/or terminated. Employee is hereby on job review notice and will be evaluated again in thirty days...." (Er. Ex. 10, emphasis in original)

April 30, 2009: Counseling notice to Corzo for participating in "an unpermitted rally of some type" where the group surrounded and harassed Shift Leader Nink:

"...This action is considered harassment and creating a hostile work environment and will not be tolerated. Article XIII It is also a Violation of off duty conduct rule — see Emporio Rulli work rules, last page. See attached signature on Acknowledgement of receipt of Emporio Rulli work rules.

It is known that Cristina is participating in unionizing the international and that she has every right to do so, however, she needs to follow airport protocol and ensure any large group she is participating with has a valid permit to gather in such a manner. However harassing our staff will not be tolerated in any form.

Course of Action needed to correct: Immediately cease and desist from such illegal activity and consult with an actual Local 2 rep who can explain to you what is considered by the airport and the union valid and legal demonstration so you are not involved in any further illegal activity. Groups flyering etc without the Local 2 logo or permitting will not be recognized as actual union activity and will be treated as such.

Time needed to correct: Immediately  
Consequences if not corrected within said time: Because you are a valued Emporio Rulli employee and generally represent the company well, we will take no further action at this time. However, if any further such illegal action is taken it will result in immediate suspension and possible termination. Our attorney has been consulted on this matter and California law must be abided by in any demonstration against the company or legal action will be taken." (Un. Ex. 4, underlining in original)

June 19, 2009: Corzo counseling notice for insubordination "to superior/shift supervisor" for failure to follow directions of "Shift Supervisor" on a routine task." (Un. Ex. 15)

Claimed Interrogations, April, Dates Unspecified:

Quenta stated Shift Leader Nink asked him if he knew "there are union people around here?" He said no. She asked if he met with them and he said no. (Tr. 139-140) Nink then went to talk to Manager Chen. (Tr. 140). Shift Lead Sammi asked him if he knew about the Union, stating if he joined with the Union he would lose benefits. (Tr. 141, 142) He told Sammi he was a member of the Union committee. (Tr. 155-156)

Corzo testified she talked to Murillo, Norma, Heringer and Carmen about the Union in April. Chen talked to her about how she liked working with Heringer including asking if he went to the restroom too much. Thereafter Chen asked her if she knew something about the Union, referring to Union "guys" who had stopped by, which Corzo denied. After the Union letter stating Corzo was a member of the Union committee Nink told her:

"Without the union right now, you have two weeks' vacation; if you do your job well, you have your schedule; you have your health insurance....So if you want more information, you can ask me because, well, ....I don't like the union so you have to have both information so if you have any questions, you can stop by and ask me about it."

Nink told her that with the Union maybe schedules will change because of seniority. (Tr. 33-34)

Nink, who maintained she spoke on her own, not as a representative of Management, testified she talked to Corzo about the Union because a co-worker, Julia, mentioned she had been followed by strange men:

"I said, 'You know, it happened to me before when I first started here nine years ago and you don't have to say that, you can say you don't need to.'

Because I work with Cristina and I know she is the new one so I wanted to show her, you know, you have an option. If you don't want to have stranger talk to you, you can—and I told her, you know, 'I work here for a long time, I know this happened to me before, they call my house, they did this and that so you can say if you are not interested, you don't need to because if we already have the benefits, I said, you know, for me, I will not vote for the union because we have been taken care of over here. I don't want to have to lose all this things and start over and renegotiate or whatever with the union and this is what we already got because I know I'm eligible, I'm qualified to receive all the benefits.'

But because Cristina is new, I didn't know if she know or not know what she is in for, what she is entitled to so I wanted to explain to her, you know, when you complete this, whatever however many months or however many years and you will receive this and then you will get two weeks paid vacation when your first year complete and you get 401K, you get profit-sharing, you know, this kind of thing. But with the union, I don't know.

Because I feel I am at stake, too. I don't want to lose it because the majority of people, they don't understand and they just vote blindly and I don't want to so I want to, you know, make my point." (Tr. 95-96)

Elvira Rimando was told by Nancy that when Management heard that Quenta was with the Union the next day he was fired. (Tr. 81); that Rimando should not sign anything about the Union; that Management does not want the Union. (Tr. 82) She testified that Nancy told her that "the reason why they want us to be like considered employees is because they want our vote....Because if they are manager or supervisor, they cannot vote or something like that." (Tr. 290-291) She has known Nancy since 1996 and Nancy is a co-signer of the note on her home.

Employee Jet was asked by Nink if someone talked to him about the Union. He said no because he thought saying so would get him into trouble. Nink said that if the Union came in he would lose medical benefits, his 401K, his schedule would change and

he would have to pay 70 dollars a month in fees. He has never received a formal employee performance review. (Tr. 83-84)

Shift Leads:

There are three Shift Leads, Sammi, Nink and Nancy. While they work as baristas they have added duties: Count money from registers, collect tips to be turned into accounting, direct employees to take lunch and breaks and to which kiosk to work, handle customer comments in the absence of the Manager, void transactions, give employee discounts. They advise employees as to what to do, assuming they do not otherwise know what to do. (Tr. 103) They do not schedule. (Tr. 57) They refer to themselves as a Shift Supervisor as that is what shows on the computer when clocking in. (Tr. 86) They have also been listed as Manager On Duty. (Tr. 251) They are responsible that customers are taken care of, that food is fresh, "et cetera." (Tr. 190-191) Shift Leaders make entries in a log book. They also have reported about problems to Doyle such as concerning Heringer, including that he acted in a hostile manner towards them. (Tr. 168, 240) They serve as witnesses when disciplinary notices are issued (Tr. 208) and may speak during such sessions. (Tr. 296-297) They have no authority to hire or fire (Tr. 215) or to discipline. (Tr. 285) In the absence of the Manager they are to contact higher levels of supervision. (Tr. 216) They are paid "a little bit" more than baristas and cashiers. (Tr. 240) Employees are expected to follow the directions of the Shift Leader. (Tr. 245-247)

Management consists of owner Gary Rulli, his sister, Lauren Doyle as Operations Manager, an Office Manager, and Chen at the International Terminal. Another Manager there is out on disability. There are also Managers at the Domestic Terminal operation.



Doyle denied that Shift Leaders are consulted in any way about its labor relations stance. (Tr. 183-184) If something comes up they cannot handle they are to call Managers. (Tr. 187)

Performance Reviews and Discharges:

According to Doyle the Employer planned to have formal performance reviews of International Terminal employees for over a year. (Tr. 161) Chen did not know how to do evaluations and was busy with operations. (Tr. 161) Doyle was supposed to oversee Airport operations twice weekly. However, because of increased business at a Union Square location and for other reasons she could not get to the reviews until April 2009. Accordingly, they were just started then, some being partially done and not yet completed. (Tr. 185)

Ryan told Quenta he received a warning for taking a sandwich. He still works there. (Tr. 148) Quenta acknowledged that taking Company product is theft. (Tr. 150) Doyle testified, "I don't tolerate theft at all any more, no." (Tr. 166) According to Quenta he had been talked to about communication with customers and offering to sell them products when they ordered coffee; he was also talked to about customer complaints and health code matters but stated no one ever told him to improve. (Tr. 152) Chen testified that before his actual termination there had been no discussion about doing so. (Tr. 237) She later testified that there was an intent to terminate Quenta weeks or months before he was terminated:

"It was in 2008, like maybe October or November. That time was a busy time and it's holiday and I cannot have no people, we are very shorthand.

If I have a new person for training at least one or two months plus get the badge [Airport security processing] one or two months, it's four or five months to have a new person." (Tr. 238)

Doyle testified that it took six to eight weeks to badge an employee to allow him or her to work in the airport; "[c]urrently it's a little better." (Tr. 166) Chen said it takes a long time, one to two months. (Tr. 237) Union documents showed that it took six days to badge replacements for Murillo and Quenta.

Gary Rulli testified that the Union's notice had nothing to do with Quenta's firing. (Tr. 278) He noted Doyle's complaints about staff in October or November 2008 and told her to do evaluations. The effort which would have started in October was delayed due to the ice rink in Union Square through January 2009. The delay also was related to the lag in getting successors badged. (Tr. 279) There were two or three people that Doyle and Chen were not happy with in terms of the quality of customer service and work, including Quenta who was to be terminated. (Tr. 279-280)

According to Rulli, whose father and grandfather were longtime members of unions, his direction to Management was that whether to unionize is up to the employees; that Management cannot comment negatively. (Tr. 275) Rulli testified that with regard to how to approach discipline in light of the Union's campaign: "I think the only thing I told my sister, Lauren, is just to make sure that you do have a witness there if anything is going on because of, you know, a lot of times, the litigate nature of dealing with Local 2." (Tr. 278)

On cross-examination Rulli was asked about a view that the Union is protecting incompetent employees:

“Well, my view is if every time our company has to write someone up for --- I mean whether it's being rude to a customer or bad cash handling or anything else, that we have to go to mediation over a basic right, as an employer, to run his business, then I think you tend to—Local 2 tends to protect the incompetent staff and at the end of the day, it hurts all of the staff because if I have to spend 25,000 dollars fighting what I feel is baseless claims, then we don't have the cash to take care of the employees that are doing their job.

So yes, the union hurts by protecting employees that should not be protected.” (Tr. 283)

#### POSITION OF THE PARTIES:

##### Position of the Union:

That Shift Leaders are statutory Supervisors under the National Labor Relations Act and agents of the Employer as found by the NLRB even if they are non-supervisors; that the interrogations had a pervasive impact on organizing; that the Employer disciplined employees in clear retaliation for their Union support; that Quenta was fired to provide an object lesson for those considering the Union; that performance reviews were pretextual.

##### Position of the Employer:

That Shift Leaders are not part of Management; that the same positions in the Domestic Terminal are in the bargaining unit there; that the Employer can terminate employees who steal or who demonstrate complete inability to perform even at the most minimally acceptable level; that the Employer can retain an employee whose

performance is acceptable but whose integrity suffered a momentary lapse; that the Union is trying to silence front line workers who realize the Union has nothing to offer beyond that which the Employer already provides; that while unfortunate, the timing of performance reviews was not motivated by an improper purpose.

#### DISCUSSION:

##### Standards to be Applied:

While precedent under the National Labor Relations Act may have relevance to this case this is an arbitration under the specific terms of the 1999 Agreement, not an NLRB proceeding. It provides the following as the Employer's, obligations:

1. Ensure an orderly environment for employee exercise of Section 7 NLRA rights;
2. Take a positive approach to unionization;
3. To not do any action nor make any statement that directly states or implies any opposition to the Union.

##### Evaluations and Terminations:

The evaluations and discharges of Murillo and Quenta in this case all occurred after the Union announced its organizing campaign to the Employer. While the Employer maintained that the evaluation process was contemplated for a number of months none occurred until after the Union's organizing notification. Quenta's did not occur until after the Union notified the Employer that he was part of its organizing effort.

In those evaluations the Employer announced the termination of both, primarily because of incompetence to perform their basic work. From the wording of the evaluations that incompetence had been plainly evident for months, if not years, yet there were no discharges until after the Union's notification. The Employer's justification for its timing that it was too busy or that replacements would take too long to badge does not hold up, for what it maintains is that it carried incompetent workers for such substantial periods and then within very few days of the Union's notifications fired them.

Whether the Employer's justification carries any weight—and as noted it carries little—under the 1999 Agreement its actions are contrary to both a positive approach to unionization, to do nothing to imply anti-Union animus and the promised orderly environment for the exercise of employee rights under Section 7 of the NLRA. Given these obligations in the face of the Union's notice the Employer necessarily is limited in its customary rights to fire an at-will employee for any reason or no reason, for it cannot do so in ways that are contrary to these promises.

With two employees fired virtually as soon as the Union notified it was seeking to organize, and firing one of those tabbed to be a representative of the Union, violates that promise, at least given the reasons for the firings here. The latter is appropriately viewed by employees as retaliation for Quenta being identified as a Union supporter, as Shift Lead Nancy told Rimando, according to the latter. Their effect on a small unit such as this one is chilling on employee's freedom to choose whether to have Union representation or not: As soon as the Union seeks to organize the Employer gets serious about employees doing a proper job and solves that by firing personnel, one of whom, at



least, favored the Union. And it does so with the effect of showing how impotent the Union would be to protect employees from arbitrary action because the firings occurred after the Union gave its notice, whereas there were no firings for the same reasons when the Union sought no presence at the work sites. In short, the timing involved showed an action that, at the least, indirectly implied opposition to the Union as proscribed by the 1999 Agreement.

Contrary to the Employer's position there was no credible evidence, including Chen's contradictory testimony, that the firing of Murillo and Quenta had been decided upon but not announced while replacements were going through the process of getting Airport security badges. The testimony did not show that such replacements had been hired before the Union's notice or the firings.

The Employer can point to the fact that Corzo and Heringer, who were also named Union organizers, were evaluated but not terminated. Their evaluations were not in the first days after the Union's notice. And, if anything, Heringer's evaluation showed he was even more susceptible to termination than Quenta and Murillo if what is related is taken as true, particularly as the Employer has repeatedly stated its disdain for him because of his lack of cooperation concerning past wholesale cash thefts. Heringer also had as many counselings as Murillo. The Employer's actions are thus considered, at most, to be capricious. However examined, they presented no orderly environment after the Union notice for the exercise of employee rights but rather would tend to thwart them contrary to its pledge to take no anti-Union actions.

Accordingly, the terminations of Murillo and Quenta and their evaluations along with that of Heringer must be rescinded as it pertains to past claimed misconduct.

This does not mean that employees are protected from discharge if they do not do their job. But what the Employer is required to do in light of the 1999 Agreement is to put employees on notice of what is reasonably expected of them and then giving them the opportunity to meet those reasonable expectations. These can include that there will be no pilfering or theft of Company goods where, as here, the Employer had tolerated an employee stealing a panini without firing him but, it claims, in Quenta's case, a ground for firing was that he took an orange juice. As Doyle stated, she now believes theft is a firing offense, no longer tolerating what may be momentary slips in integrity by employees however they may otherwise demonstrate competency. The Employer is obviously entitled to seek to stop to employee theft but to avoid a successful claim of not providing an orderly environment for Section 7 exercise of rights, not acting arbitrarily as it did in these instances can do so after notice that it will act consistently in removing employees who are guilty of theft. Similarly it cannot cite long-ago warnings as it did in Murillo's case to justify a firing when it tolerated, as it did in his and in Quenta's cases, claimed substandard performance for as long as it did and still did not fire them until just after the Union notice. By setting forth reasonable job standards and fairly and consistently determining whether employees adhere to them it can rid itself of incompetency, if there is any, without disruption of the orderly environment it promised to provide. Obviously, now, Murillo, Quenta and Heringer are on notice as to what

standards they must meet as shown by their evaluations for judging their performance in the future, even if they did not agree with those documents.

Interrogations:

According to Corzo and confirmed at least in part by Chen (Tr. 269), Chen asked Corzo about the Union. Chen is a Manager and her asking Corzo about the Union violates the 1999 Agreement, given there was no evidence that what Chen asked had anything to do with a positive approach towards unionization..

The issue concerning interrogations as raised by the Union centers around the status of the Shift Leads—whether they acted as agents of Management or acted of their own accord. After initial uncertainty at the end of the first arbitration hearing, the Union now seeks to disclaim them as members of a potential bargaining unit.

Direct evidence that they were active or captive agents of Management was lacking. The circumstantial evidence in this respect was not clear. This is particularly true where in this small unit there were intertwined personal relationships such as in the case of Rimando between her and Shift Lead Nancy who had voiced her views about the Union as well as passing on information about Management's views towards the Union and Quenta's discharge, at least as Nancy apparently understood them. In light of the issues to be decided under the 1999 Agreement with respect to Management's obligations, that issue is resolved for the purposes of the Agreement by the notice that necessarily flows out of the violations of it in this case. Contrary to the Employer's position that the Owner has a long standing pro-union bias because of the affiliation of his father and grandfather, his testimony was that as far as Local 2 was concerned that he

did not view it in a positive light given his quotation concerning the Union's litigious ways protecting whom he described as incompetent employees.

Accordingly, whether the Shift Leads are in or out of any bargaining unit that may emerge is not determined in this case; it may be for another forum to make that decision.

Corzo Warning:

The Employer's view that Corzo was warned primarily to consult with the Union to determine whether and how to participate in any action that the Union might take against the Employer disregards the initial paragraph of the warning. Corzo was accused of personally creating a hostile work environment and violating a specific but unquoted Company rule. She was not working at the time. Heringer, who had more involvement, was not warned about his participation. Whether the demonstration was "legal" or not under Airport regulations was not established. If anything, the Union was guilty of violating the 1999 Agreement by it, or its supporters, with its knowledge participating in the action; the Union has stipulated it would not be involved in any repetition of what occurred.

Corzo Schedule Change:

With respect to the claim concerning Corzo's schedule the detailed testimony showed that that was a situation concerning her need for a change and is not found to be related to any Union campaign.

DECISION:

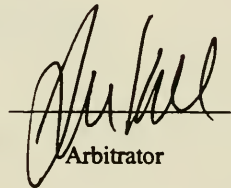
The Employer violated the 1999 Agreement by its timing of its evaluations and by its firing of Quenta and Murillo, its evaluations of them and Heringer and its warning to Corzo. The following remedy is ordered:

1. Quenta and Morillo shall forthwith be reinstated with back pay and benefits, less outside earnings, the computation of which is remanded to the Parties.
2. The evaluations of Quenta, Morillo and Heringer are rescinded in terms of any warnings of future action; they shall remain in terms of standards that they are expected to adhere to in their employment notwithstanding any support they may have for the Union.
3. The Employer shall write a letter, signed by the Owner, to be approved by the Union, in the languages most familiar to each employee, to be handed to each employee with their next pay check, and to be posted at all three International Terminal locations in such languages, which contains the following:
  - a. That the Employer and Union have entered into an agreement where the Union has the right to seek to represent employees; that the Employer agrees that there should be an orderly environment for the free exercise of employee rights to be represented or not by the Union; that the Employer has a positive approach to unionization and as part of that positive approach has pledged to not take any action nor will it make any statement that directly or indirectly states or implies that it has any opposition to the Union.



- b. That the Employer will take no disciplinary action against any employee who supports the Union or speaks in favor of the Union because of such support; that the Employer erred in the termination of Quenta and Murillo, the negative evaluations of them and Heringer and the warning to Corzo during the Union's organizing campaign.
- c. That Managers will not ask questions nor make comments concerning what might or might not happen in the event of Union representation of employees; that the choice is that of employees as to whether or not they choose to have the Union represent them.
- d. That Management has not directed Shift Leads, and will not direct Shift Leads, or anyone else, to make any statement that directly or indirectly states or implies any opposition to the Union; Shift Leads will be specifically instructed that the Employer has a positive approach to unionization as stated in paragraph 3.a above.
- e. That during the Union organizing campaign the Employer nonetheless has the right to expect employees to work competently as the Employer requires, including not taking Company property without paying for it, and working where and when as expected. If it takes any disciplinary action it will be for employees failing to work competently, in accord with directions from Management as communicated directly or through Shift Leads, or for other reasons, including but limited to theft, if it has just cause to do so.

4. The Union shall meet with Murillo and Quenta, prior to their reinstatement, and with Heringer, to ensure that they each understand that they must meet work standards as contained in their evaluation notices, whether or not they agree that such standards had been violated, and that they are expected to adhere to all normal work requirements as a condition of continued employment irrespective of their Union support. The Union shall provide a letter to the Arbitrator that the Union has complied with this requirement stating the date, time, and place of the meeting(s) and provide detailed information of what was said by whom, including a statement of what language in which the meeting was conducted. The Arbitrator will then advise Employer counsel that the meeting(s) required by this paragraph have taken place.
5. The Arbitrator retains jurisdiction in the event issues arise concerning the interpretation or application of the Decision herein.

  
Arbitrator



# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**November 4, 2009  
Special Meeting**

**8:30 A.M.**

**Room 408 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

**COMMISSIONERS  
LARRY MAZZOLA  
President  
LINDA S. CRAYTON  
Vice President  
CARYL ITO  
ELEANOR JOHNS  
RICH GUGGENHIME**

**JOHN L. MARTIN  
Airport Director**

**GOVERNMENT  
DOCUMENTS DEPT**

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Minutes of the Airport Commission Special Meeting of  
November 4, 2009

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of October 20, 2009	09-0247	3
D.		DIRECTOR'S REPORT:		
	1.	Report on Airport Concessions in FY 2008/09		3
E.		ITEMS INITIATED BY COMMISSIONERS:		
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Amendment to FY 2009/10 Airport Rates and Charges	09-0248	3
	3.	Award Contract 8596 - Power Distribution System Upgrade - St. Francis Electric, Inc.	09-0249	4
	4.	Award Contract 8606 - Field Lighting Building No. 2 Improvements - Schembri Construction Company, Inc.	09-0250	4
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Bid Call - Contract 8782 - South McDonnell Road Reconstruction	09-0251	4
	6.	Accept Proposals - Paid Internet Kiosks Lease	09-0252	4
	7.	Airport Improvement Program - Project No. 3-06-0221-49 (Grant No. 49) Grant Award	09-0253	4-5
	8.	MOU Between City/County Association of Governments of San Mateo County and SFO	09-0254	5
H.		NEW BUSINESS:		
		Propane Fuel		5
I.		CORRESPONDENCE:		5
J.		CLOSED SESSION:		
		Potential Litigation		5

November 4, 2009

No audio tape was available for this meeting.

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 8:30 AM in Room 408, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL

Present:

Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenheimer

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 20, 2009 were adopted unanimously.

No. 09-0247

\* \* \*

## D. DIRECTOR'S REPORT:

1. Report on Performance of Airport Concessions in Fiscal Year 20082009

\* \* \*

## E. ITEMS INITIATED BY COMMISSIONERS:

\* \* \*

## F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS &amp; MAINTENANCE:

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Amendment to the Fiscal Year 2009-10 Airport Rates and Charges

No. 09-0248

Resolution approving amendment to the Fiscal Year 2009/10 Airport Rates and Charges.

Item No. 3 was moved by Commissioner Mazzola and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Award Contract 8596 - Power Distribution System Upgrade - St. Francis Electric, Inc. - \$3,940,770

No. 09-0249

Resolution awarding Contract No. 8596, Power Distribution System Upgrade, to the lowest responsive, responsible bidder, St. Francis Electric, Inc., in the amount of \$3,940,770.

Item No. 4 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Award of Contract No. 8606 - Field Lighting Building No. 2 Improvements Schembri Construction Company, Inc. - \$2,636,384

No. 09-0250

Resolution awarding Contract 8606, Field Lighting Building No. 2 Improvements, to the lowest responsive, responsible bidder, Schembri Construction Co., Inc., in the amount of \$2,636,384.

\* \* \*

G. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

The Consent Calendar, Item Nos. 5 through 8, was moved by Commissioner Ito and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

5. Bid Call - Contract No. 8782 - South McDonnell Road Reconstruction

No. 09-0251

Resolution approving the scope, budget, and schedule for Contract 8782, South McDonnell Road Reconstruction, and authorizing the Director to call for bids, when ready.

6. Accept Proposals for the Paid Internet Kiosks Lease

No. 09-0252

Resolution approving the final lease specifications, minimum qualifications and proposal requirements

and authorizing staff to accept proposals for the Paid Internet Kiosks Lease.

7. Airport Improvement Program - Project No. 3-06-0221-49 (Grant No. 49) Grant Award - \$5,250,000

No. 09-0253

Resolution authorizing the Director to expend Grant Offer No. 49 from the Federal Aviation Administration (FAA) in the amount of \$5,250,000.

8. Approve a Memorandum of Understanding Between the City/County Association of Governments of San Mateo County and the Airport

No. 09-0254

Resolution approving a MOU between the City/County Association of Governments of San Mateo County and the Airport to provide \$100,000 for an update to the Comprehensive Airport Land Use Compatibility Plan in Fiscal Year 2009/10.

\* \* \*

#### H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Scott Sheridan, addressed the Commission regarding propane for shuttles at the Airport.

Mr. Terry Karges, Sr. Vice President of Roush addressed the Commission on the use of propane. The document Mr. Karges submitted to the Commission is attached.

\* \* \*

#### I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

**K. ADJOURNMENT:**

There being no further calendared business before the Commission the meeting adjourned at 9:10 AM.

**Original Signed by Jean Caramatti**

Jean Caramatti  
Commission Secretary

**NOTICE OF PUBLIC HEARING**

**Tuesday, November 24, 2009**

Notice is hereby given that the San Francisco Airport Commission will hold a public hearing to adopt "Proposed Changes to the Airport's Rules and Regulations" including additions, deletions and reformatting at its regular meeting of Tuesday, November 24, 2009 at 9:00 A.M., in Room 400, City Hall, 1 Carlton Goodlett Place, San Francisco, CA.

Any person wishing to receive additional information can contact the Commission Secretary's Office at 650-821-5042 or mail a request to the Commission Secretary, P.O. Box 8097, San Francisco, CA 94128.



# Propane Reduces Greenhouse Gas Emissions A Comparative Analysis

June 2007

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## Executive Summary

This study quantifies the greenhouse gas profile of propane and other fuels in selected applications. Cutting across propane market segments including residential, power generation, engine fuel, agriculture, and other applications, this analysis uses energy consumption rates, emissions factors, and equipment efficiencies for various energy options to estimate greenhouse gas emissions associated with the use of those energy options. The applications analyzed include:

- Distributed Generation
- Irrigation Pumps
- Forklifts
- Medium-Duty Engines
- Light-Duty Trucks
- Residential Water Heaters
- Residential Space Heating

The results of the analysis show that propane is among the most attractive options for avoiding greenhouse gas emissions in every application considered. At the point of use, propane has a lower carbon content than gasoline, diesel, heavy fuel oil, or ethanol. Natural gas (methane) generates fewer carbon dioxide (CO<sub>2</sub>) emissions per Btu than propane, but natural gas is chemically stable when released into the air and produces a global warming effect 25 times that of carbon dioxide. This means that one pound of methane produces the same effect on climate change as 25 pounds of carbon dioxide.

With propane's short lifetime in the atmosphere and low carbon content, it is advantageous from a climate change perspective in comparison to other fuels in many applications. The graphs on the following page (p. v) demonstrate propane's climate change performance across the applications analyzed in this study. (Propane emissions = 1, and all other fuels are normalized against it for comparison).

# I. Purpose of Report

With the causes of climate change becoming more evident, there is an increased focus on technologies and energy sources that can reduce emissions of greenhouse gases. While scientists continue to debate the magnitude of potential impacts from climate change, policymakers in the United States and abroad are considering options for addressing the issue. As an Environmental Protection Agency (EPA)-approved clean alternative fuel, propane offers lower greenhouse gas emissions than many other fuel options without compromising performance in a wide range of applications.

This study quantifies the greenhouse gas profile of propane and other fuels in selected applications. Cutting across propane market segments including residential, power generation, engine fuel, agriculture, and other applications, this analysis uses energy consumption rates, emissions factors, and equipment efficiencies for various energy options to estimate greenhouse gas emissions associated with the use of those energy options. The applications analyzed include:

- Distributed Generation
- Irrigation Pumps
- Forklifts
- Medium-Duty Engines
- Light-Duty Trucks
- Residential Water Heaters
- Residential Space Heating

The substantive and carefully documented information in this report is intended to inform policymakers, the propane industry, and other interested parties as they make important decisions regarding climate change.

# II. About Climate Change

Greenhouse gases keep the earth at a comfortable temperature, allowing most of the energy from the sun to pass through the atmosphere and warm the earth while blocking much of the outward radiation from the earth. However, increasing concentrations of greenhouse gases in the atmosphere are cause for concern. Rather than maintaining equilibrium, high concentrations of greenhouse gases are now affecting the global climate system, leading to "climate change."

## Greenhouse Gases Compared to Criteria Air Pollutants

Greenhouse gases are different than the criteria air pollutants that have been regulated by the EPA since 1970. Criteria pollutants, which include ozone, nitrogen dioxide, sulfur dioxide, carbon monoxide, lead, and particulate matter, are released in the atmosphere from fuel leaks, secondary reactions, or undesired side-products during combustion. While these pollutants cause health problems and contribute to smog and acid rain, they do not directly contribute to climate change. The amount of criteria air emissions depends on several variables including fuel characteristics, combustion conditions, and use of pollution control equipment, and it is sensitive to maintenance and operational practices (Climate Leaders 2004).

In contrast, greenhouse gases are not federally regulated and cause changes to the environment on a global scale. Unlike criteria pollutants, the most prevalent GHG – carbon dioxide – is a necessary byproduct of fossil fuel combustion. The amount of carbon dioxide released depends not on leaks or side reactions, but on the amount of carbon in the fuel and the amount of fuel consumed. While chemically reactive criteria air pollutants stay in the air for days or months, greenhouse gases are non-reactive and remain in the atmosphere for decades to centuries (Rubin and Rao 2002).



### III. Methodology

This section describes the general methodology used for all applications. Application-specific assumptions are provided in Appendix B.

#### Basis for Comparison of Applications

Ten different propane applications were analyzed in order to quantify the lifecycle greenhouse gas emissions of propane fuel systems compared to other fuels. These ten applications were selected to represent not only a variety of market sectors, but also a range of market shares – from well-established propane markets such as forklifts to emerging propane technologies such as the propane-powered light-duty truck.

Each propane technology was compared to alternative fuels commonly used for the same application. Operational variables such as size, hours of operation, and frequency of use were chosen to represent an average or typical use of the technology. Data were obtained from published test results, vendor-supplied specifications, and government studies, and were supplemented with other sources to determine what constituted a typical use. These sources were also used to estimate the energy efficiency of each fuel system. For most applications, the efficiencies were used to determine the amount of fuel needed to deliver an equivalent energy service (e.g., miles traveled or heat supplied) for propane and for each competing fuel option. For some fuels, such as electricity, energy efficiency differences from propane are the result of two different technology designs. In other instances, however, there are only slight differences in technology design between the propane-configured technology and alternate fuel configurations. Where application-specific data was not available, the relative efficiencies of the fuel systems under comparison were based on efficiencies reported for similar technologies.

#### Upstream Analysis

Upstream emissions as defined in this analysis are the sum of all emissions resulting from the recovery, processing, and transport of fuel from wellhead to the point of delivery to the end-user. These emissions are conveniently quantified by the GREET Model, which was used to estimate the upstream portion of the lifecycle GHG emissions of each fuel system evaluated in this study. The model is used to calculate emissions, in grams per million Btu, of multiple pollutants, including the three greenhouse gases evaluated in this study: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). Table 3.1 gives the upstream emission factors used in this study, which were obtained by running the GREET model.

**Table 3.1. Upstream emissions factors (grams per million Btu)**

	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	Total CO <sub>2</sub> equivalent
LPG	8,938	115	0.16	11,855
NG*	5,407	239	0.09	11,397
CNG	12,207	248	0.19	18,455
Electricity	219,707	296	3.12	228,036
Gasoline	17,476	109	1.31	20,595
Diesel	16,629	105	0.27	19,346
E85	-6,810	114	36.08	6,789

\* Model output for CNG with compression efficiency set to 100% (removing emissions from compression).

Source: GREET 2007

Upstream emission factors will vary depending on the model's input parameters. These parameters include the type, fractional share, and efficiency of power plants used to generate electricity; market shares of different fuel formulations; fuel feedstock shares and refining efficiencies; and fuel

transportation mode, distance, and mode share. For all fuels except uncompressed natural gas, the default parameter values in the model were used to calculate upstream emission factors.<sup>3</sup>

The upstream emissions associated with LPG production depend on its feedstock – natural gas or crude oil. LPG is separated from natural gas during production and from crude oil during refining. The model attributes to LPG, on a Btu-fractional basis, emissions produced from the recovery and refining of these feedstocks before the separation of LPG.<sup>4</sup> As a result, the upstream emissions attributed to LPG depend on the relative contribution of natural gas and crude oil to LPG production. The feedstock shares for LPG used for this analysis are 60% from natural gas and 40% from crude, which are the default values in GREET. LPG produced from crude oil has slightly higher GHG emissions than LPG produced from natural gas refining.

Table 3.2 shows the formulas used to calculate total upstream GHG emissions. Upstream emission factors (in grams per million Btu) were multiplied by total fuel consumption required by each fuel system (in million Btu) in order to obtain total upstream emissions for CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. The total mass of each gas was multiplied by its global warming potential (GWP). Total upstream emissions of GHGs, in metric tons of CO<sub>2</sub> equivalent, was obtained by summing the terms. The values used for global warming potential were those developed by the Intergovernmental Panel on Climate Change (IPCC 2007). Following the widely accepted convention established by the IPCC, results were reported in metric tons of CO<sub>2</sub> equivalent.

**Table 3.2. Upstream GHG emissions**

For each fuel:

metric tons (GHG) = grams (GHG)/MMBtu (fuel) \* MMBtu of fuel consumed / 10<sup>6</sup>

Total metric tons of CO<sub>2</sub> equivalent = metric tons CO<sub>2</sub>\*(1) + metric tons CH<sub>4</sub>\*(25) + metric tons N<sub>2</sub>O\*(298)

### End-use Analysis

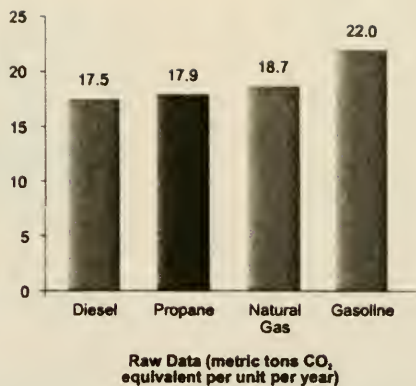
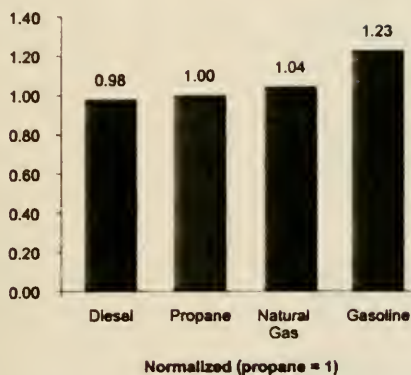
End-use emissions are specific to the technology used for each application, and therefore different sources were necessary to estimate various end-use emission factors. The U.S. Department of Energy and the Environmental Protection Agency publish end-use carbon content emission factors for a number of different technologies, and were the source of some of the end-use emission factors used in the applications analyzed. Other sources of end-use emission factors include Delucchi 2000 and GREET

<sup>3</sup> GREET is designed to quantify the lifecycle emissions of vehicles, and because vehicles using natural gas run on compressed natural gas (CNG), the model does not allow the user to select uncompressed natural gas as a fuel choice. Some applications in this study, however, required the comparison of propane to uncompressed natural gas. Because the compression of natural gas requires a significant amount of energy (and therefore adds to its upstream emissions), the GREET model input for natural gas compression efficiency was set to 100% in order to remove the emissions associated with compression. Compression efficiency as defined by the GREET model is equal to HV/(energy in + HV), where HV is the heating value of the fuel. Setting efficiency at 100% therefore makes energy in equal to zero.

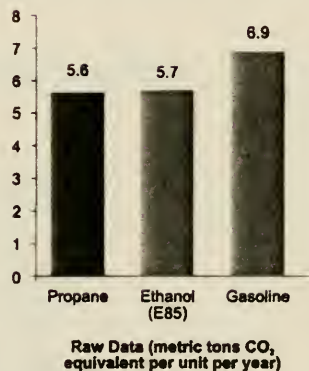
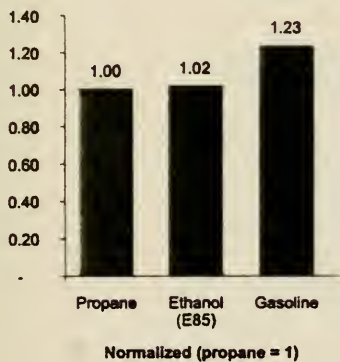
<sup>4</sup> In other words, all products produced from either crude or natural gas are assumed to begin their lifecycle at the wellhead, even though they have not been physically separated from the feedstock. If a given product stream represents 5% of the Btu content of the feedstock, for example, then that product is assigned 5% of the emissions attributed to the feedstock before refining and separation. This method of assigning emissions is not influenced by the economic value of the product or feedstock.



## Medium-Duty Engines



## Light-Duty Trucks





# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**November 24, 2009  
Special Meeting**

**9:00 A.M.**

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**President**

**LINDA S. CRAYTON**

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**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128**



Minutes of the Airport Commission Special Meeting of  
November 24, 2009

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Special meeting of November 4, 2009	09-0255	4
D.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Cheryl Philips	09-0256	4
	2.	Retirement Resolution - Dan Wong	09-0257	5
E.		ITEMS INITIATED BY COMMISSIONERS:		5
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Authorization to Accept Proposals for the Terminal 2 Food and Beverage Leases	09-0258	5-7
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	5.	Award Trade Bid Package Set No. 5 to Contract 8757A - Design Build Services for Terminal 2/Boarding Area D Renovations - Turner Construction, Co., Inc.	09-0260	8
	6.	Modification No. 1 to Contract 8617 - Runway 28R10L Overlay and Reconstruction - Granite Rock co., dba Pavex Construction	09-0261	9
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
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	8.	Award Professional Services Contract for As-Needed Environmental Planning and Management Services - URS Corporation	09-0263	10
	9.	Award Professional Services Contract for		



	As-Needed Environmental Planning and Management Services - ICF Jones & Stokes Assoc.	09-0264	10
10.	Award Professional Services Contract for As-Needed Environmental Planning and Management Services - Tetra Tech, Inc.	09-0265	10
11.	Award Contract 8937 - Airport Wide Electrical and Telecommunications Repairs/ Construction - Bass Electric	09-0266	10
12.	Award Domestic Terminal Automated Teller Machines Leases		
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	Lease B - J.P. Morgan Chase, N.A.	09-0268	11
13.	Modification No. 1 to Contract 8850 - On-Call Services for Central Plant Cooling System	09-0269	11
14.	Authorization to Accept Proposals for Terminal 3 Accessories Kiosk Lease	09-0270	11
15.	Wine Wisdom, inc., Exercise One Two-Year Option under Boarding Area F Wine Tasting and Retail Venue Lease No. 04-0205	09-0271	11
16.	Authorization to Exercise the Third of Five One-Year Options - SFO Shuttle Bus Co.	09-0272	11-12
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K.	CLOSED SESSION:		
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L.	ADJOURNMENT:		17

# AIRPORT COMMISSION SPECIAL MEETING MINUTES

November 24, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheimer

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of November 4, 2009 were adopted unanimously.

No. 09-0255

\* \* \*

## D. SPECIAL ITEMS:

Item No. 1 was moved by Commissioner Ito and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

### 1. Retirement Resolution - Cheryl Phillips

No. 09-0256	Resolution thanking Ms. Cheryl Phillips for 24 years of faithful service and to offer best wishes for a long and fruitful retirement.
-------------	---

Mr. John Martin, Airport Director said that Ms. Phillips is retiring after 24 years of service to the Airport. Beginning her career in 1985 as a Custodian, she was promoted in 1992 to her position as Custodial Assistant Supervisor. Ms. Phillips was a very responsive, dedicated, dependable employee and well liked by the employees she supervised. We wish her well in her retirement.

Commissioner Mazzola congratulated Ms. Phillips on her retirement.

Item No. 2 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Retirement Resolution - Dan Wong

No. 09-0257

Resolution thanking Mr. Dan Wong for more than 21 years of faithful service with the City and County of San Francisco and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Dan Wong has been with the City for 26 years ... 21 of those years have been with the Airport. Dan has always been a committed employee, very dedicated to serving the Airport. He is known for being fair, efficient and committed to safety and a high level of service for the customer. He is very well liked by employees and the people of the ground transportation industry. Dan helped to ensure that SFO has always been at the forefront among airports in promoting public transit.

In recognition of Dan's success he was recruited by a university in Australia for Academic Fellowship so he is taking a very early retirement. He will be in Australia both studying and teaching with that Fellowship. Congratulations, Dan.

Commissioner Mazzola congratulated Mr. Wong.

Mr. Wong thanked the Director, the Commission, and Senior and Management staff for the opportunity to serve the Airport for all of these years ... putting up with all of his idiosyncracies ... and this will be one of the last times he will be seen wearing a suit and tie.

SFO is a great place to work and he has enjoyed the opportunity to work with everyone. He leaves with mixed emotions after so many years with the Airport. Fellowships only come once in a blue moon at his age and he decided to take it.

Mr. Wong thanked the Director, Commission and staff for the opportunity to serve.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 3 and 4 were called together and moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

3. Authorization to Accept Proposals for the Terminal 2 Food and Beverage Leases

No. 09-0258

Resolution approving the revised minimum qualification requirements and lease specifications, and authorizing staff to accept proposals for the

## Terminal 2 Food and Beverage Leases.

Mr. Leo Fermin, Deputy Director, Business and Finance said that we are ready to issue the final RFPs and solicit proposals for the Terminal 2 Concession Program. On September 15 the Commission approved the preliminary business terms for these leases and on October 22<sup>nd</sup> an information conference was held for the Food and Beverage Leases and a separate conference for the retail leases.

Based on feedback received we are recommending revisions to the preliminary business terms that were approved this past September. One change allows lessees to spend less than our original minimum of \$350 per square foot for tenant improvements so long as they meet the Terminal 2 Concession Design Guidelines and the Design Review Committee approves the design and materials.

Among the Food and Beverage leases we are recommending some tweaks to the business terms. The most significant change is to reduce the size of the cocktail lounge. We have also tweaked the various retail leases and recommend a reduction in the proposal bond from 50% of the proposed minimum annual guarantee to 25%. Another significant change was to add one additional space in Terminal 3 to the Spa Lease. A third significant change was in the bookstore lease where we now recommend reducing the minimum annual guarantee from \$300,000 to \$200,000 and the percentage rent to start at 8% instead of 12%.

There will be eight Food and Beverage Leases for nine locations, and eight Retail Leases for 11 locations. The proposals for all of the leases will be due on January 6, 2010. We will seek Commission approval of the recommended slate of tenants at the March 2<sup>nd</sup> Commission meeting.

Commissioner Guggenheim asked why the size of the cocktail lounge is reduced.

Mr. Fermin responded it was based on the feedback received from the attendees at the preproposal conference. He suspected they felt the size was too large given the volume anticipated.

Commissioner Ito said she was pleased to see that language has been written in on the 20% Small and Disadvantaged Business proposals and asked if the LBE, the local business would be addressed in the proposals.

Mr. Fermin responded that we are encouraging DBE and LBE participation. We are encouraging local San Francisco participation. In our goals we are following the Federal guidelines for ACDBE participation. We cannot stress SBE local goals to the exclusion of ACDBEs.

Commissioner Ito asked what does AC stands for?

Mr. Fermin responded that AC stands for Airport Concession DBEs, a Federally mandated program that we are required to follow.

Commissioner Ito understood Mr. Fermin to say that within the RFP guidelines it is just understood that there will be outreach efforts to locally owned businesses.

Mr. Fermin said that from the FAA's perspective there is no local geographic preference that we are permitted to give because that would be seen as giving firms in one place an advantage over firms in another place. So from the FAA guidelines geographic preferences are not permissible.

Mr. Martin said that given the outreach we've done and our previous success in bringing in local businesses to food and beverage to the International Terminal and in Terminals 1 and 3 we fully expect to achieve a very high level of local business participation.

Commissioner Ito asked if the concessions that will be made during the construction periods, as noted on that same page under "General Comments" were acceptable to all of the participants at the prelim meeting.

Mr. Fermin responded that no opposition was expressed. There was not much discussion in that regard.

Commissioner Johns asked if there will be only one concession pre-security, and, if so, what will it be.

Mr. Fermin responded it will be a coffee stand.

Commissioner Johns asked if just coffee will be served.

Mr. Martin responded that it will be what you would see in a Peet's or Starbucks.

Commissioner Johns asked if the Quick Serve and Gourmet Market will have similar types of food. More passengers are purchasing food to take on board and there should be a selection of not just lunch food but breakfast food as well. This is a problem in some airports.

Mr. Fermin responded that we are very cognizant of that. When we review menus we look to verify that we have the appropriate type of offerings at different times of the day. That is something we are watching very closely.

Commissioner Johns asked if the cocktail lounge is purely cocktail lounge or will they serve food as well.

Mr. Fermin responded there will be the standard finger foods that you usually would find in a cocktail lounge, things such as chicken wings, etc.

Ms. Avery McGinn, Klein's Deli, said that she would like to reserve her opportunity to speak after the other speakers.

Commissioner Mazzola asked Ms. Deborah Mizewinkel to reserve her comments under "New Business" which is the Public Comment portion of the calendar.

#### 4. Authorization to Accept Proposals for the Terminal 2 Retail Leases



No. 09-0259

Resolution approving the revised minimum qualification requirements and lease specifications, and authorizing staff to accept proposals for the Terminal 2 Retail Leases.

Item Nos. 5 was moved by Commissioner Guggenlime and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Award Trade Bid Package Set No. 5 to Contract 8757A - Design Build Services for Terminal 2/Boarding Area D Renovations - Turner Construction Co., Inc. - \$35,909,361

No. 09-0260

Resolution awarding Trade Bid Package Set No. 5 for various scopes of work to Contract 8757A, Design Build Services for Terminal 2/Boarding Area D Renovations with Turner Construction Co., in the amount of \$35,909,361.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction said that with this modification for \$35.9 million the new total contract for the Turner Design Build Contract for Terminal 2 will amount to \$262 million. The modification provides for various scopes of work primarily consisting of roofing, drywall, roadway strengthening, miscellaneous metals (stairs, railings, etc.), the escalators procurement and passenger loading bridges. As required by the Administrative Code these Trade Bid Packages were bid to a minimum of three pre-qualified bidders where possible. Only two bids were received on some of the specialized equipment in the package. The low bids were reviewed and it was determined that the bidders are responsive and that the bids appropriately reflect the agreed upon scope of work.

The proposed award is within the overall budget for this work and is approximately \$3.2 million in total under the engineer's estimate. With these bids we are forecasting a project cost at completion of \$380.8 Million against the budget of \$383 Million. We have about \$56 Million left to bid out and we are about 75% bid out with all of the subcontractor trade bid packages. We continue to maintain the appropriate cost contingencies in the forecast at this stage of the project.

With this modification we will be just over 20% LBE participation versus the HRCs original goal of 15%. We developed various strategies to improve participation of San Francisco based firms in this contract. We will achieve 43% versus our 40% informal goal, and based on our projections we believe we will be able to maintain this level of participation or close to it through the remainder of the contract.

Commissioner Ito thanked Mr. Satero and Turner for making efforts to work with the local owned businesses.

Mr. Satero thanked Commissioner Ito and said that he will pass it along.

Item Nos. 6 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous

6. Modification No. 1 to Contract No. 8617 - Runway 28R-10L Overlay and Reconstruction - Granite Rock Company, dba Pavex Construction - \$4,911,319

No. 09-0261                      Resolution approving Modification No.1 of Contract No. 8617, Runway 28R-10L Overlay and Reconstruction with Granite Rock Co., dba Pavex Construction, in an amount not to exceed \$4,911,319 for a total contract amount of \$18,827,974.

Mr. Ernie Eavis, Deputy Director, Facilities said that the Commission originally awarded Contract 8617 for \$13.9 Million to overlay and reconstruct the runways. \$12.3 million came from two AIP Discretionary Grants ... AIP 43 and 45. The FAA has since made a grant offer of stimulus funds covering 100% of this project. The additional \$5.5 Million gives us a total of \$17.8 Million in Federal funds. This modification increases the scope of the project to utilize those funds.

\* \* \*

G. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

The Consent Calendar, Item Nos. 7 through 17, was moved by Commissioner Ito and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

7. Award Professional Services Contract for As-Needed Environmental Planning and Management Services - LSA Associates, Inc. - \$875,000 for a Four Year Period

No. 09-0262                      Resolution awarding a professional services contract to LSA Associates, Inc., for Environmental Planning and Management Services for a total contract amount not-to-exceed \$875,000.

Commissioner Johns noted that Items 7, 8, 9 and 10 are all for As-Needed Environmental Planning and Management and asked why we need all of them.

Mr. James Ilnicki, Acting Deputy Director, Planning said that this is a continuation of a strategy we first implemented back in 2006 ... the first time we established as-needed environmental contracts. Three firms were involved at that time. It worked very well for us so we decided to continue the effort. We had various areas of environmental concerns. We accepted RFQs from anyone who chose to participate. It's a way of accomplishing two things ... trying to spread out the work among as many firms as we can so that everybody is getting some action, and secondly, to assist the Airport in getting a lot of as-needed tasks done that are not large tasks, but by lumping together in the form of an as-needed contract we can accomplish a lot of task orders and accomplish a lot of work without having to go out to individual contracts.

Commissioner Johns asked for an example of what kinds of work they are doing. What is the meaning of environmental planning? Is it specific to certain projects.

Mr. Ilnicki responded that the three main areas that we are concerned with right now are the West of Bayshore mitigation. We have to have a mitigation plan in place and we have to have a biologist on site to monitor all of the work that we do there every time there is work being done. We have to have a new Wildlife Hazardous Management Plan in place which really is for birds and other wildlife that are on the airfield. Our plan is fairly old. We have to have a new plan and then we have to implement it. And then we have various tasks that are coming up regarding the Runway Safety Area Project requiring a lot of baseline studies, and coordination with local regulatory agencies.

8. Award Professional Services Contract for As-Needed Environmental Planning and Management Services - URS Corporation - \$550,000 for a Four Year Period

No. 09-0263                      Resolution awarding a professional services contract to URS Corporation for Environmental Planning and Management Services for a total contract amount not-to-exceed \$550,000.

9. Award Professional Services Contract for As-Needed Environmental Planning and Management Services - ICF Jones & Stokes Associates, Inc. - \$350,000 for a Four Year Period

No. 09-0264                      Resolution awarding a professional services contract to ICF Jones & Stokes Associates, Inc., for Environmental Planning and Management Services for a total contract amount not-to-exceed \$350,000.

10. Award Professional Services Contract for As-Needed Environmental Planning and Management Services - Tetra Tech, Inc. - \$175,000 for a Four Year Period

No. 09-0265                      Resolution awarding a professional services contract to Tetra Tech, Inc., for Environmental Planning and Management Services in a total contract amount not-to-exceed \$175,000.

11. Award Contract 8937 - Airport Wide Electrical and Telecommunications Repairs/Construction - Bass Electric - \$328,506

No.09-0266                      Resolution awarding Contract 8937, Airport Wide Electrical and Telecommunications Repairs/Construction, to the sole responsive, responsible bidder, Bass Electric, in the amount of \$328,506. Construction budget \$350,000.

12. Award of the Domestic Terminal Automated Teller Machines Leases

No. 09-0267 Resolutions awarding the (1) Domestic Terminal  
No. 09-0268 Automated Teller Machines Lease "A" to Wells  
Fargo Bank, N.A. for a minimum annual guarantee  
of \$480,000 for the first lease year; and (2)  
Domestic Terminal Automated Teller Machines  
Lease "B" to JP Morgan Chase, N.A. for a minimum  
annual guarantee of \$495,000 for the first lease  
year.

Commissioner Johns asked what the ATM fees will be.

Mr. Fermin responded that they will remain at \$1.50.

13. Modification No. 1 for Contract No. 8850 - On-Call Services for Central Plant Cooling System - \$300,000

No. 09-0269 Resolution approving Modification No. 1 to Contract  
8850, On-Call Services for Central Plant Cooling  
Systems Contract, to increase total compensation  
payable in an amount not to exceed \$300,000, for a  
total contract amount not to exceed \$900,000.

14. Authorization to Accept Proposals for the Terminal 3 Accessories Kiosk Lease

No. 09-0270 Resolution approving the revised minimum  
qualification requirements and lease specifications,  
and authorizing staff to accept proposals for the  
Terminal 3 Accessories Kiosk Lease.

15. Wine Wisdom, Inc., Exercise of the One Two-Year Option under Boarding Area "F" Wine Tasting and Retail Venue Lease No. 04-0205

No. 09-0271 Resolution exercising the one two-year option to  
extend Wine Wisdom, Inc.'s Boarding Area "F"  
Wine Tasting and Retail Venue Lease No. 04-0205,  
for a term of June 27, 2010 though June 26, 2012.

16. Authorization to Exercise the Third of Five One-Year Options with SFO Shuttle Bus Company, Inc.

No. 09-0272 Resolution approving exercising the third of five  
one-year options with SFO Shuttle Bus Company,  
Inc., to extend employee and long term passenger  
shuttle services at San Francisco Airport effective



17. Transfer of Boarding Area "B" Casual Dining and Bar Lease No. 05-0075 from WSE Group, Inc., to Legends Bar of San Francisco, LLC

No.0273

Resolution consenting to the transfer of Boarding Area "B" Casual Bar and Dining Lease No. 05-0075 ("Lease") from WSE Group, Inc., to Legends Bar San Francisco, LLC, subject to an increase in the required deposit amount from 50% to 80% of the Minimum Annual Guarantee.

\* \* \*

H. PUBLIC HEARING:

The Public Hearing opened at 9:25 AM and closed at 9:40 AM, there being no comments from the public. Item No. 18 was moved by Commissioner Guggehhime and seconded by Commissioner Johns. The vote to approve was unanimous.

18. Changes to the Airport Rules and Regulations

No. 09-0274

Resolution adopting proposed changes to the Airport's Rules and Regulations. Changes are proposed in the structure and format in all sections of the Airport's Rules and Regulations as listed in the Summary of Changes document.

Mr. Try McCoy, Deputy Director, Operations and Security said that this Public Hearing is on the proposed changes to the Airport's Rules and Regulations. This is a significant update consisting of a large number of formatting edits including the renumbering of all 101 pages, numerous additions and deletions that create a more accurate, up to date and more user friendly document. The last complete revision of Airport Rules and Regulations was adopted by this Commission in 2001. The Rules and Regulations have been amended over the years and the document was revised with updates in February 2006, however, that included only minor revisions. The document before the Commission is a complete renumbering and reformatting of virtually every section, as well as some additions.

There have been amendments that have been approved by this Commission since 2006, and those are included in this revised draft, and there have also been Airport Directives issued by the Director that are included in this revision as well. An example of an amendment approved by the Commission that is now included in the revision is the Commuter Benefit Program that was passed last August. An

example of an Airport Directive that is issued by the Airport Director as an Operations Bulletin is one that pertains to safety while driving on the airfield.

The completely revised addition of Airport Rules and Regulations improves the



clarity of the Airport's expectations that all Airport tenants, airlines and concessions must follow while conducting business at the Airport. We communicate changes to this document via electronic copies to all existing airlines, tenants and concessions. Electronic copies are also issued to all new airlines as they come into SFO. The Airport's Rules and Regulations are also posted on both the Airport's FLYSFO.com web page as well as under the Airport Section of the City and County web page at SFGOV.org.

The comprehensive additions, edits and formatting changes of the proposed new version of the Rules and Regulations are best shown in an attachment before the Commission titled "Summary of Changes." That document consolidates all of the changes that were made. It was determined that the redline revision normally provided when a change is made to the Rules and Regulations was too cumbersome in this instance because every page has something on it and it was difficult to compare the old and the new. We felt that the best way to compare the old and the new was to prepare a Summary of Changes that highlights the formatting changes as well as any significant changes.

The following is a quick review of the changes, section by section.

- Section 1 Captures general formatting changes.
- Section 3 Adds new tenants recycling rules.
- Section 4 Includes new rules on the operation and inspection of refueling vehicles.
- Section 5 Adds the Commission's previously approved Regulation for all Airlines to do all possible to reduce lengthy on airfield delays during periods of bad weather ... an ordinance that we passed about a year ago which is now included in this document.
- Section 6 Strengthens the rules for aircraft fueling, hazardous material storage and updates the fire code compliance for all new construction.
- Section 7 Includes language from the quality service program addressing the security enforcement aspects of the the QSP.
- Section 8 Expands the one page environmental standards in the current edition of the Rules and Regs to eight pages of environmental compliance regulations that brings the regulations up to current State and Federal guidelines.
- Section 9 Clarifies Airport permit requirements.
- Section 10 Now includes the Airport's Trip Reduction and Commuter Benefits Program, also passed by this Commission earlier this year.
- Section 11 Edits the first section called "Purpose" under the Noise Abatement Regulations.

Section 12 Minor grammatical edits.

Section 13 Structural edits combining the Appendix into this section.

Section 14 Structural edits combining all fines into this one section that had previously been spread out over three or four sections. It also notes some increases in the Airport's fines that can be assessed to illegal ground transportation solicitation and failure of a limousine driver to have a valid airway bill.

The new Airport Rules and Regulations draft includes comments from all sections of the Airport, including the Fire Department and the Police Department. It has been a lot of time and effort in going over this. A lot of time with the Airport's legal counsel to be sure that this document is put together properly, cross referenced with all the old documents and all the re-numbering is correct. If approved this document will be a valuable tool in establishing standards and enforcement actions that the Airport can take with our concessions, tenants, and airlines which will improve the Airport's operation, environmental compliance and public safety.

Commissioner Ito noted that we have more clarity in some of the practices and policies expected at our Airport because there have been a couple of public issues that have come to us in the form of a complaint. For instance, on Page 12 of your revised document regarding wheelchairs and the one person, one wheelchair rule ... we not heard any more complaints from the union representatives and asked if that has been managed fairly well. That policy has been clear and the airlines are cooperating having adequate wheelchairs for our passengers?

Mr. McCoy said that he is pleased to report that because this Commission passed that rule that is now in this document .. it has actually been in effect prior to being in this document. The employees are very aware of the rule and basically self report to the company if they are asked to do anything that is in violation of the rules. The Airport Duty Managers watch the operation. The employees now have this rule to give them protections to be sure that they aren't asked to push two or three people at a time or do bags and wheelchair at the same time. The rule are

there and it has been every effective in reducing the past practices.

Commissioner Ito said that on Page 43, re aircraft operation issue and the 60 minute rule when a plane is held up on the tarmac. Although not at our Airport, we read in other extended circumstances that there is always other excuses being presented to the passenger. Who makes that call to deplane? Is it the Director or Tryg? Excuses that she has heard that security is off duty, or the they can't deplane because of a number of other reasons to do with protocol regarding deplaning passengers. How do we manage the different authorities over us?

Mr. Martin responded that the pilot is in control of the aircraft and he cannot be ordered to return to the gates. We track the aircraft on the airfield so we know how long it has been sitting there. We get in touch with the Station Manager. If all their gates are occupied we remind them that they can use other gates that we have available throughout the Terminal Complex and remind them of the negative

publicity they are going to suffer if they don't get that aircraft back to the gate. We take a very proactive stance and we always have a way to deplane the

passengers ... even if we have to pull upstairs up to the aircraft we can do that.

Mr. McCoy said that this policy that we established almost two years ago was one of the first. Congress is now talking about requiring airlines and airports to have a program, a written policy on how they are going to get people off of planes. The general guideline that Congress is looking for is one shouldn't be held on the airfield for more than 3 hours without coming back to the gate or the aircraft being serviced, the restrooms dumped, food and water re-provisioned, etc. We are very cognizant of delays. We always contact the airline and say your plane has been out there, we have room for it to come back. But ultimately it is up to the pilot. What we find in cases in San Francisco when a flight pushes back and hasn't taken off the pilot is waiting for clearance to take-off. There is weather either locally or there is weather at his destination and the pilot has to weight whether returning to the gate will ultimately delay the flight hours later or in 15 minutes he is going to get clearance to take off. We are very aggressive about offering them opportunities and we are often the ones that tell the airlines operations department that their plane is still out there. Sometimes the folks at the terminal don't know that their own aircraft hasn't taken off. We are very aggressive and we will certainly comply with whatever regulations come out of Congress. It will be a joint requirement where both the airlines and airports have to come up with a policy. The airlines will have to come up with a written statement that says we will not wait more than this amount of time before taking the following actions.

Commissioner Johns noted that we track aircraft on the airfield and asked how that worked procedurally. Does the tower let us now?

Mr. McCoy responded that we have a number of good eyes on the airfield 24 hours a day. It starts with the tower and we have a very good relationship with the tower. The tower understands our policy. There are occasions when the tower will call the Airport Duty Manager who then initiates the action. There are also times when our own Airfield Safety Officers that patrol the airfield will call the Duty Manager and report a plane that has been sitting on the airfield. There are also occasions when there are delays before the flight has even push back ... where there is a mechanical problem and people are held on a flight. We get that information, which is a little harder to get, from our own observations. We start reminding the airline that they need to consider the welfare of the people on the plane and deplane them while they are determining the length of the delay.

Mr. Martin added that we usually know the weather conditions that will cause this to happen so when we have a very rainy, windy day everyone on staff will be on high alert watching for this.

Commissioner Johns asked if it would be more weather related.

Mr. Martin responded that mechanical is harder to catch. We usually find out about them but those are the harder ones to catch because we don't know what's going on.

Commissioner Johns asked if they wouldn't have to come back for a mechanical.

Mr. Martin responded that sometimes they find a mechanical after they pull back the jet bridges and the passengers are held on board the aircraft until it's solved. We've had instances where passengers are held on board for three hours.

Commissioner Mazzola asked if there was any public comment. There being no requests to speak, the Public Hearing was closed.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Ms. Deborah Meiswinkel, Emporio Rulli, said that although not the appropriate forum, it has become the union's podium to divert attention to the continuing efforts of this Commission and the Airport Director in developing the number one food and beverage program in the nation and perhaps the world. She presented a formal written response from owner Gary Rulli to the allegations presented to the Commission at its October 20 meeting and implored the Commission to take a few moments to read the letter.

Ms. Meiswinkel wished everyone a good and safe holiday.

Mr. John Salani, Operations Manager, Bayporter Express, asked the Commission to read his letter. He forgot to include in his letter that if the rule passes on May 10 he will have no wheelchair service also available for passengers at SFO. His wheelchair van was built in 2003. He has less than 200,000 miles on it. It is just used for wheelchair passengers. They work on the lower level of San Francisco Airport.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:45 AM and the closed session began.



The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

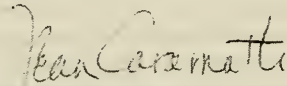
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:58 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:59 AM.

A handwritten signature in dark ink, appearing to read "Jean Caramatti". The signature is fluid and cursive, with the first name "Jean" and last name "Caramatti" clearly distinguishable.

Jean Caramatti  
Commission Secretary





*Emporio Rulli*

Entities, Corporate Office  
464 Magnolia Avenue  
Larkspur, CA 94939  
415-924-7478 x10  
Fax 415-924-3474

November 23, 2009

Larry Mazzola, *President/Airport Commission*  
Linda Crayton, *Vice President/Airport Commission*  
Caryl Ito, *Member/Airport Commission*  
Eleanor Johns, *Member/Airport Commission*  
Richard J. Guggenheim, *Member/Airport Commission*

**San Francisco International Airport**  
P.O. Box 8097  
San Francisco, CA 94128-8097

As presented at: November 24, 2009 Airport Commission Meeting

Re: Response to October 20, 2009 Commission Meeting Allegations

Dear Airport Commissioners;

I am again responding to allegations and misinformation conveyed to you by Local 2 at your last Commission meeting. Although this is not the appropriate forum for these matters, I feel it is time to lay to rest any doubt of my or my company's intentions and the intentions of our management team and front line employees with regard to the Union (Local 2) and unionization at the International Terminal.

The majority of our employees, some of whom have been with us for over 8 years, know and trust our business sense and intentions. Those employees know that we have done the best we can do over the years and despite tough economic times during SARS, terrorism threats resulting in a serious downturn in airline travel and the current economic crisis, I have not had to lay anyone off because we have all worked hard to run a business based on good customer service, good products and good basic work skills.

You need not take my word for how Emporio Rulli employees feel about the company. Attached is a May 11, 2009 letter from our employees who not only support us but understand the good intentions of the company, their Employer. They are mystified by the Arbitrator's August ruling in which we are ordered to take back employees who were terminated based on long-term and well documented incompetence. The two employees that were terminated repeatedly violated Work Rules that have helped our company grow and prosper. The employees who were terminated should have been terminated long ago but were kept on because we wanted to give them another opportunity. Their support of the union had absolutely nothing whatsoever to do with their termination. In the attached letter, his co-workers express their own personal experience of working with him. Even the Arbitrator questioned why Quenta was not terminated long before. Airport Management has also expressed similar feedback. But, as presented and testified during Arbitration, Emporio Rulli has been giving their employees the benefit of the doubt even in the most obvious instances of employee malfeasance. We have gone above and beyond the call of duty to exhaust all means to help develop employee skills. In the end, it was apparent to everyone that worked with the terminated employee that he was not fit for the job, lacked the necessary skills to perform the essential functions of his job and he would never be capable of performing his job to anyone's satisfaction. The arbitrator's

tentative ruling upheld the termination but in his final ruling, the arbitrator did an about face, as though he had completely forgotten his earlier ruling.

Emporio Rulli Employees have full medical/ dental, a 401K plan that the company contributes to every year and that employees can contribute to on their own. Employees have full management capabilities of their 401K accounts and take it with them when they leave. Employees who have been with us from 4 to almost 9 years have on average \$18,000, in their account from personal and company contributions. If these averages ran out to their retirement age, they would have upwards of \$100,000.00 in today's dollars that they will have 100% ownership versus the Local 2's Pension Plan which pays out \$2400 a year. We also recently found out from the Pension Fund Trustees that there's a pension deficit and that they are in arrears by \$14 million.

Our Employees also know we would increase benefits and frequent pay increases based on merit but sales have steadily declined over the past 5 years. Changes are made to keep everyone employed full-time. The vast majority of our employees are quality people who understand that the union presents them with an unattractive option and that by voting in favor of the union, they would be voting against themselves and in favor of the least able and most incompetent employees, the very few who should have been terminated long before.

With regard to statements recently made by reinstated former employee, Arianto Quenta (Ari), it was made very clear that Ari's termination was based on long history of poor performance, exhaustive, yet unsuccessful, re-training and finally - theft. Although Ari has shared different reasons for his termination at the Arbitration and at his Unemployment Hearing, he stole food product from the company and he freely admitted a serious violation to our Work Rules. With regard to allegations of interrogation, it was evident at the Arbitration that members of our Management team did not interrogate employees at any time. The Union was blaming our *Shift Leaders* for speaking their minds about the union. Arbitrator Kagel stated in his tentative ruling on July 1, 2009 that *in regard to the character and nature of Shift Leads, management or not, the Union has not taken a position if they are in the bargaining unit or not. If yes, they are free to talk.* Because of the ambiguity, we felt it prudent to inform the Shift Leaders of the tentative ruling and requested that they make "No Comment" and not talk about the Union until further notice and/or the Arbitrator's decision. [Due to the Arbitrator's decision of August 4, 2009, and the Union's insistence that Shift Leaders are not included in the bargaining unit, 2 of the 3 Shift Leaders (long time Airport employees) resigned end of August/early September because they felt their right to freedom of speech had been taken away.. They asked to remain employed with us but did not want their position to be an impediment to their free expression While the company has a contractual obligation to remain neutral with regard to the union, these intelligent women did not drink the union's cool aide and they know incompetent employees who steal from the company are not good for business.]

With regard to allegations that I, or my staff have delayed the reinstatement of the two former employees, nothing could be further from the truth. On August 31, 2009 my office sent Mr. O'Conner a full response package including badge applications, W-4s, I-9, draft communiqué (internal memo) to Employees outlining the Arbitrator's Orders as well as specific instructions to expedite the reinstatement of the 2 former employees. It was learned by my office on both September 18 & 24<sup>th</sup> that neither former employees nor Union Reps Harley and Kung ever saw or knew about the 8/31/09 letter Mr. O'Conner received with those specific instructions for reinstatement and the documents to expedite the process.



More specifically, the badge applications were dated by Ari and Federico September 14 and 18<sup>th</sup>, 2009 respectfully. Harley, a union rep, faxed them to our office Fri, Sept. 18<sup>th</sup> and originals were received in the office the following week. Ari's was processed. Federico had to sign a new application because signing in pencil is not accepted by the SAO (Security Access Office). Federico's original in ink was received October 5, 2009, then signed by the Office Manager and sent to Store Manager with the check (dated 9/29/09) on October 6, 2009 for Federico to pick-up and walk to the SAO with his Employment Eligibility IDs.

Between fingerprinting appointment availability and Ari's schedule – Ari was able to get fingerprinted the morning of October 8, 2009. Ari was cleared by the Security Access Office (SAO) on October 22, 2009 and was immediately notified. Our Store Manager worked closely with Ari to help him complete the badging process as well as coordinate his first available shift to return to work which was November 9, 2009, due to his other work commitments.

On July 1, 2009, Arbitrator John Kagel gave his initial tentative rulings near the end of the day but specified he was going to wait until briefs were submitted July 21, 2009. We received the Arbitrator's decision on August 6, 2009. Time was needed to review the 180 degree change in the decision. As stated above, Kagel's tentative ruling and the final ruling were completely different. In the tentative ruling he acknowledged that Emporio Rulli had good cause to terminate the employees and the employees were "at will". No additional evidence was submitted between the tentative ruling and the final ruling yet Mr. Kagel rejected his earlier ruling and adopted a ruling with no factual support.

In regard to the letter to employees we were ordered to create and distribute, we did our part. We prepared a memo in a timely fashion, made revisions per the Union's first response and the Union still has yet to approve a memo or allow Emporio Rulli to post any communication until they give their final approval. At this time, Mr. O'Conner still has not replied with any comments to the last version containing most of his earlier edits. My office gave detailed feedback/comments to Mr. O'Conner's Sept. 16<sup>th</sup> version of the letter in an effort to reach an agreeable letter that I was to post for my employees to read.

While we wait for the Union to give us feedback, the Union hosted a "Welcome Back" party for Ari and Federico on November 9, 2009 and distributed a flyer stating that we violated the Arbitrator's orders by not properly and timely posting the letter to our employees required by the arbitration.

As I shared in my May 8, 2009, letter, my family has a life long relationship with Unions that spans decades. I am not anti-union. I believe that the union's efforts to slander my name and my business could be put to better use developing their union members understanding of customer service skills and job skills.

Although we are not in agreement to the Mr. Kagel's decision, we have complied with all orders in a reasonable and timely manner. Emporio Rulli has been and continues to be an integral part of the award winning, nationally acclaimed SFO Food & Beverage program. SFO and The City of San Francisco have benefited tremendously from the accolades and positive media feedback this innovative program has received over the years.

The Members of the AREC have put their livelihoods on the line, investing their own personal assets and borrowing against their homes. They have made significant and sincere efforts to make and keep this program the best in the nation. It is disheartening that in these hard economic times we, Emporio

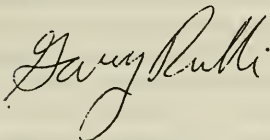
Rulli and the other small businesses that serve the traveling public, are spending tens of thousands of dollars defending ourselves against the complaints of a few under performing disgruntled employees. The accusations made against Emporio Rulli have no merit and our employees feel the same way.

We are not huge heartless Fortune 500 corporations based out of Chicago or New York. We are all locally owned family enterprises, all struggling to survive in the worst economic climate since the Great Depression. Local 2 is attacking us and other small family-owned businesses with the same zeal and tactics that they use against multi-national hotel chains & airport concessionaires such as HMS Host because our employees have not chosen to join their Union. To make matters worse, we are being attacked for things we have not done. The Union will continue to create diversions with "us versus our employees" tactics and smear the number 1 Food & Beverage program in the country because of the blatant mismanagement of the Trust Funds.

We've had labor harmony for over 8 years until the Union started pitting employees against their co-workers and employees against management. We are now spending time responding to allegations and attending Arbitrations rather than training our staff, stimulating sales and developing new products for our customers who in the end are the victims along with our employees and small business operators in San Francisco.

You have only heard from 2 of our 22 employees. Talk with the other employees who have signed the letter. If you would like to schedule time for me to meet with you to review these matters or any other issues that may have been brought forth, please contact me. Thank you for your time and patience but these issues need to be addressed.

Respectfully yours,



Gary Rulli, President [cell: 415-720-1416]  
*Emporio Rulli San Francisco International Airport-Domestic, Inc*  
*Emporio Rulli at San Francisco International Airport, Inc.*  
*Emporio Rulli Arrivals, Inc.*

Cc: John Martin, SFO Airport Director  
Avery McGinn, President/AREC

RECEIVED  
MAY 21 2009

Date: May 11, 2009

Emporio Rulli SFO International A , G and Arrival Kiosks

BY:.....

To whom this may concern;

We are writing in unity to give our full support to our boss, Mr. Gary Rulli and Emporio Rulli management team. We are all current full time employees who have worked with the company between 8 months to a little over 8 years. We would like to confirm to you without any hesitation that Mr. Rulli and the management team have given us full freedom of speech and option to choose in regarding to join the labor union (currently- Local 2). However, we do not see any benefits which would outweigh what Mr. Rulli and the company has been giving us. We are intelligent, honest and diligent employees who believe that once we work hard as a team for the best of the company as a whole, we will all be rewarded and taken care of. This has been true with this company. Most of us (who qualify) have already been enjoying the benefits Mr. Rulli and his company has provided to his employees such as health benefits including vision & dental, retirement plan (401K), profit sharing and paid vacations. Moreover, we do not want to join the union not only because their representatives are intrusive and aggressive but also because we do not want to be mandated to pay dues to the union organization regardless of how many hours we work or weather they do anything FOR us at all.

Mr. Rulli and the management team have been treating us fairly as far as the scheduling and days-off concerns among other things. The management team and our manager (Miss. Serena Chen) has always taken each of our individual needs, specific requests, and personal situation into consideration in weekly scheduling. We are all pretty much put on schedules where and when we most convenience and comfortable while serving the purpose of running a successful coffee & Panini kiosks as a whole. Working at the airport locations, we are also aware that sometimes, when situation arises, our regular schedules needed to be adjusted in order to get things going. But then, they will come back to normal and when we need help, others will adjust theirs to help us as well – because we are in the same team and working to accomplish the same goal.

We are also glad that the management has regularly evaluated employees' job performances in order maintain our high standard of customer services and products. We are all proud to be part of the company and its unique and wonderful products. In our opinions, it is only fair that, regardless of how long the employee has been with the company, those who were less helpful, less efficient and taking advantages of others should be counseled or written up so that he/she would improve and be good team players. For example, Mr. Quanta had worked with each one of us at least several times throughout the course of his employments here at Emporio Rulli SFO. To be very honest, none of us wanted to be paired with him. He worked very slowly, inefficiently, often made mistakes, and missing from his post without his partner knowing where he was. Even while he worked alone, he hardly worked! Each of us often walked pass by the kiosk where he worked only to find him just standing there doing nothing even there were always things to do. One time while he was working alone at G-Kiosk, a guy walked by and snatched our tip jar full with tips that day from the counter; Arianto was there and not even notice anything! We were told later by manager who reviewed the security camera tape on it. We could not believe to hear that he had gotten the union involved and falsely accused Mr. Rulli and the management of firing him because he signed up with the union. We think that the accusation was absurd because Arianto's job performances alone could have and should have gotten him fired long time ago.



Finally, we would like to genuinely thank Mr. Gary Rulli and his management team who has always given us freedom to choose to join or not join the union and keeping all communication channels opened for us when we were bordered and harassed by the union representatives or its members. Thank you for helping us fight for our rights to keep the benefits we have earned through our hard work and honesty. Thank you for protecting us from those aggressive union members even if it means putting yourself out there as a target instead. We sincerely do not want to join the organization that only cares about monetary gain not the well being of its own members.

Employee Name

Position

Employed Since

Signature

PAEMCHIT SUBOOKTHAWEKON

(NINK)

Shift Supervisor

NOV. 2000.

P. Subokthawekon (Nink)

Carmen Hernandez Barista/Cashier

Mar 2001

Carmen Hernandez

DIVINA GRACIA S. DURAN BAKISTA/CASHIER - DEC. 2000

Pei na chen

Barista &amp; Cashier

FEB 2008

Pei na chen

ZHONG HU XU

Barista

/Cashier

July 2008

Zhong Hu Xu

Nancy Barnala

Shift Supervisor

Nov. 2005

N. Barnala

Sammi Wong

Shift Supervisor

July 2008

Sammi Wong

Xue Ping Yu

Barista/Cashier

June 2008

Ping Yu

Norma Duran

Barista/Cashier

April 2008

Norma Duran

Nov 16, 2009

To: The San Francisco Airport Commission:

Dear Sir / Madam:

This letter pertains to the vehicle fleet age and alternative fuel vehicle compliance for current airport operators.

BayPorter Express has ever since cooperated with Clean Air Campaigns sponsored by both the Oakland and San Francisco Airports. In 1999, we purchased 10 CNG vans through the Oakland Airport (already been retired) and 10 more through San Francisco Airport in 2002 (5 of which are still active).

To further signify our serious intent in converting our fleet to clean air vehicles, we have purchased, over the last 6 months, 9 more used 2002 model CNG vans that are in very good condition and with relatively low mileage. (4 of which are already in service) We also purchased (in process) 3 new CNG vans from S & C Ford. This will bring our fleet to 17 CNG vans out of total of 30 vans before May 31, 2010.

It will be difficult for us, however, to comply with the fleet age requirement because most of the CNG vans were manufactured in 2002 and the current shortage of inventory. For the past several years (since 2003), BayPorter Express along with other Pre-Arranged Operators and Scheduled Transit Operators and Commercial Courtesy Shuttle Operators, have never been required to comply with vehicle age and mileage requirement. From this experience, unaware that we would be subjected to these changes, we have assumed that there would be no compliance issues involved when we recently purchased our 9 used 2002 model CNG vans. We renewed our SFO permit on Aug 2009, never received a notice regarding the Proposed Changes Section 3.3 (i)(mileage and aged). And then, received a letter on Sept 2009 requiring compliance by May 2010.

Enforcement of the proposed maximum age and mileage of vehicles will become a great financial hardship for BayPorter Express, and such stringent fleet age limits will put us out of business.



*Airport Shuttle Service*

---

Therefore, we request for a waiver of fleet age and maximum mileage, please considering our vast area of coverage, most of the initial miles are freeway miles, which cause much less mechanical and engine deterioration than those vehicles who largely operate in the city area, and also considering we are "Pre-Arranged" operators. We request that the Proposed Changes Section 3.3(i)(mileage and aged) to be waived.

Thank you for considering our request for waiver; please contact me if you have any questions or concerns regarding this request at 415-595-1519 or 415-467-1800

Sincerely,

John Salani  
Operations Manager

## **ATTACHMENT # 4**

### **2009 ANNUAL VEHICLE INSPECTION MODIFICATIONS**

#### **APPLICABLE TO:**

- ON-DEMAND SHARED-RIDE GROUND TRANSPORTATION OPERATORS
  - PRE-ARRANGED GROUND TRANSPORTATION OPERATORS
  - SCHEDULED TRANSIT GROUND TRANSPORTATION OPERATORS AND
  - COMMERCIAL COURTESY SHUTTLE GROUND TRANSPORTATION OPERATORS
1. ORIGINAL CURRENT BRAKE INSPECTION CERTIFICATE, ISSUED BY A STATE LICENSED AUTOMOTIVE REPAIR/TEST STATION, WILL CONTINUE TO BE REQUIRED AS PART OF THE 2009 ANNUAL INSPECTION PROCESS.
  2. APPLICABLE ONLY TO ON-DEMAND SHARED-RIDE VAN GROUND TRANSPORTATION OPERATORS.
    - A. Section 3. USE, 3.3 Transportation Requirements.,(g) Service Program., (2) Vehicle Maintenance Program of your Shared-Ride Van Service Commercial Ground Transportation Non-Exclusive Operation Permit states "Vehicles in door-to-door service at the Airport aged over four years from production date and with mileage in excess of 400,000 must be retired unless a waiver is requested and received from Airport Director".

**NOTE:** This requirement will continue to be strictly enforced for any vehicle replacement and/or addition. All official waivers must be in writing and submitted to the GTU at time of vehicle inspection appointment. Failure to comply with this requirement will be cause for the GTU to assess a missed or late appointment fee of \$100 for each vehicle scheduled for inspection which is not in compliance with this requirement. To request a waiver from this requirement, you may contact Dan Pino of the Airport's Landside Department at (650) 821-6514.

*maintenance records must be made available to the Airport Director or his designated representative upon written request. Vehicles are subject to an annual inspection by Airport mechanics and random inspections upon the request of the Airport Director or his designated representative.*

### **PRE-ARRANGED**

Section 3.3 (i) of the Lower Level Pre-Arranged Ground Transportation Operator Commercial Ground Transportation Non-Exclusive Operating Permit is proposed to be included to read as follows:

*(i) Vehicles operated under this Permit aged over four years from production date or with mileage in excess of 400,000 (i.e., whatever comes first) must be retired. Alternative fuel vehicles operated under this Permit aged over five years from production date or with mileage in excess of 500,000 (i.e., whatever comes first) must be retired. Pursuant to Airport Commission Resolution No. 09-0107, Permittee's entire fleet must meet Airport Commission emissions requirements by May 31, 2013, with intermediate increments of 25%, 50%, and 75% of fleet meeting the requirements each May 31 in 2010, 2011, and 2012. All vehicles must be maintained according to a published schedule submitted to the Airport. Maintenance must be conducted by Automotive Service Excellence (ASE)-certified mechanics. CNG vehicle fuel tanks shall be inspected annually with certification provided to the Airport. All vehicle maintenance records must be made available to the Airport Director or his designated representative upon written request. Vehicles are subject to an annual inspection by Airport mechanics and random inspections upon the request of the Airport Director or his designated representative.*



# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**December 15, 2009**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**GAVIN NEWSOM, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**CARYL ITO**

**ELEANOR JOHNS**

**RICH GUGGENHIME**

**JOHN L. MARTIN**

**Airport Director**

**GOVERNMENT  
DOCUMENTS DEPT**

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Minutes of the Airport Commission Meeting of  
December 15, 2009

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# AIRPORT COMMISSION MEETING MINUTES

December 15, 2009

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Caryl Ito  
Hon. Eleanor Johns  
Hon. Rich Guggenheim

Hon. Linda S. Crayton arrived at 9:07 during discussion of Item No. 1

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of November 24, 2009 were adopted unanimously.

No. 09-0275

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

### 1. Retirement Resolution - Mrs. Marlene O'Neill

No. 09-0276 Resolution thanking Mrs. Marlene O'Neill for her 10 years of service at San Francisco International Airport and offering best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said that Marlene O'Neill is retiring after 10 years at the Airport. Marlene has had a rich and varied career. She was a Convent Nun and teacher, then worked as a Military Intelligence Analyst in the Army Reserves, she was an Administrative Assistant with a law firm and a Deputy Sheriff before joining SFO. Marlene started in the Aviation Security Group right after 9/11 and led a number of key initiatives at the Airport. She began her career at SFO as an Airfield Safety Officer, then she became an Aviation Security Supervisor, and



ended her career as an Aviation Security Manager. She should be proud of the work she has done. Mr. Martin thanked Marlene for her contributions and commitment to the Airport.

Commissioner Mazzola congratulated Mrs. O'Neill.

Mrs. O'Neill said that she appreciated this tradition of presenting resolutions to retiring employees. It shows a specialness that you have this tradition of providing this kind of recognition. She thanked everyone for all the opportunities given to her. It's a great thing to have a job that is interesting, to work for a notable place that has a reputation for getting things done, and for caring. She worked with people who care deeply about their jobs ... they are almost like a family. The Airport is like a small city. You spend the best years of your life working and hoping that it will count for something, and it does.

She thanked everyone for this opportunity and for her 10 years in this job. She thanked everyone for their patience in learning the various aspects of the job. She learned to do contracts this last year and was very impressed with the helpfulness of every department and every person she encountered.

Commissioner Mazzola congratulated Mrs. O'Neill on her retirement.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

## 2 Retirement Resolution - Emily Hansen

No. 09-0277

Resolution thanking Mrs. Emily Hansen for her years of service at San Francisco International Airport and offer best wishes for a long and fruitful retirement.

Mr. Martin said that Emily has worked at the Airport for 36 years ... 29 years in the Airport's Medical Clinic and seven years for the Airport Commission. Emily worked as a clerk and receptionist and throughout her tenure, both with the Airport and the Medical Clinic, she is known for her great warmth and joy that she brings to her work. We thank Emily for her many years of dedicated service to the Airport ... a true member of the Airport family for many years. .

Commissioner Mazzola congratulated Emily on her retirement.

Mrs. Emily Hansen thanked the Director and Commissioners for the opportunity of working at SFO. It was a fabulous run and she enjoyed every day at the Airport. She used to think of it as coming to work to see her friends. It's such a tightly knit group. Everyone always helps everyone else. You can't go anywhere in the Airport without seeing faces that you recognize. She thanked Mr. Martin.

\* \* \*

## E. DIRECTOR'S REPORT:

### 3. Recognition of Thi Tar Kuang

Special recognition of Thi Tar Kuang, an employee of Pacific Outfitters, for exceptional customer service at SFO.

Mr. Martin asked Ms. Thi Tar Kuang to step forward with Ralph Glenn, Connie Glenn and Ebon Glynn. Ms. Thi Tar Kuang showed great honesty, integrity and commitment in a recent incident at the Airport. On November 17<sup>th</sup>, while working at the Pacific Outfitters store owned by Ralph and Connie Glenn of RDG Concessions and managed by Ebon Glenn, Thi Tar Kuang found a wallet left by a customer containing over \$9,000 in foreign and US currency. She gave the wallet to Ebon who was able to track down the passenger. The passenger felt as if he had won the lottery. This is a great example of customer service and the highest integrity. We are very proud of Thi Tar Kuang and RDG Concessions.

Commissioner Mazzola thanked Thi Tar Kuang.

Mr. Martin presented Thi Tar Kuang with a certificate of honor.

Mr. Ralph Glenn said that integrity is not dead, even in these tough economic times. By the time he received the call they were already in the process of returning the wallet to the passenger. It doesn't cost anything to have integrity ... it just takes hiring the right people. He is very proud to have Thi Tar Kuang working for him.

Thi Tar Kuang said that she is delighted and grateful to the Airport Commission for honoring and recognizing her honesty and integrity. She thanked Ralph, Connie and Evan Glenn, RDG Concessions, and the Airport Police for helping to get the wallet back to its rightful owner. She is proud of herself for doing the right thing.

\* \* \*

## F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito congratulated the Director and staff for bringing Swiss Air to SFO. It got great press.

Mr. Martin appreciated the kind words. He noted that the airline is now called Swiss International.

Commissioner Crayton said that we have not acknowledged the recent passing of Jim Jefferson. She noted all of the good work he had done at the Airport in getting AirTrain going.

Mr. Martin said that he was involved both with AirTrain and the development of the Airport Master Plan in the 1990s. He was one on the team that put together the Master Plan that led to the construction of the International Terminal.

Commissioner Crayton understood that plans for a public memorial are being made by Willie Brown and a number of other people.

Commissioner Mazzola congratulated the Director on being named President of California Airports Council.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

4. Runway Safety Area Fiscal Feasibility Study

No. 09-0278

Resolution authorizing the Airport Director to submit a Fiscal Feasibility Study for the Runway Safety Area Project to the Board of Supervisors.

Mr. Leo Fermin, Deputy Director, Business & Finance said staff is requesting approval to submit a Fiscal Feasibility Study for the Runway Safety Area Project to the Board of Supervisors as required by the San Francisco Administrative Code. The project is anticipated to cost \$192,000,000 and we plan to apply for FAA grants for 75% of the cost. The study determines that this project is fiscally feasible because failure to do so risks FAA grant fundings each year; the Airport and the City benefit financially from the operational use of the airfield; and, airfield activity generates significant economic benefits, including ongoing jobs. The project itself will generate construction jobs.

Commissioner Ito asked if the FAA is only reimbursing a percentage, is the fiscal feasibility determining how much more can be justified.

Mr. Fermin responded yes ... it is financially feasible.

Commissioner Johns asked if this is the extra 100 feet we've been talking about.

Mr. Fermin responded that it's the extra 1,000 feet.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Award of Contract No. 8408R - Public Information Displays Upgrade - Liberty Electric, Inc. - \$3,050,400

No. 09-0279

Resolution awarding Contract No. 8408R, Public Information Displays Upgrade to Liberty Electric, Inc., in the amount of \$3,050,400.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, said that this contract provides for new monitors throughout the International Terminal and

Boarding Areas A and G. The monitors provide various information to passengers, ... flight information displays, gate information, and baggage information displays for a total of about 310 monitors throughout the International facilities. This contract replaces those monitors with new technology, it upgrades the cabinetry and the structural supports and provides for infrastructure for any of the monitors that will be relocated. We originally submitted this contract on October 7<sup>th</sup>. We did a lot of outreach prior to the original bid and we anticipated several bids at that time. We received a request for a bid extension at the original bid time and it was granted. We felt it would also help us get several bids for the original bid. As it turned out we only received the one bid. Several bidders explained that they had problems getting fixed firm pricing from the display manufacturers and that is why we received only one bid, which was significantly in excess of the engineer's estimate. In doing the additional outreach it was clear that we would get more bids because they were able to get firm fixed pricing on the displays. So, per the Administrative Code we rebid this contract.

Five bids were received on November 5 and Quatrotec was determined to be the apparent low bidder with a base bid of \$2.1 million. Liberty Electric, the second low bidder, was at \$2.76 million. Liberty filed a protest against Quatrotec's bid claiming a deficiency in meeting the LBE requirements relating to LBE sub video communications. The certification had expired at bid time and it is clear that they are required to be certified at the time of bid opening. HRC and the City Attorney's office investigated the claim and determined that the protest had merit. Therefore, Quatrotec's bid was determined to be non-responsive.

Liberty's bid was reviewed by the HRC and Airport staff and was determined to be responsive. Liberty committed to 18% LBE participation, well in excess of the 13% required by contract. Funding will be provided from the Airport's Capital Plan.

Commissioner Guggenhime noted that it seemed like a very hard rule. Is it crystal clear that the City Attorney concurs with the HRC's view that the contractor or the subcontractor has to have an LBE certification at the time of the bid? Is that rule enforced 100% of the time?

Mrs. Molly Stump, Airport General Counsel responded that HRC requires it. The reason is that it provides an ability for all the primes to bid on a level playing. If primes are allowed to use an LBE sub who is not on the list but could have been on the list, the other primes are not aware of the existence of that firm and don't have an opportunity to use them.

Commissioner Guggenhime understood.

Commissioner Ito noted that new technology was viewed in Terminal 2 and asked if one of the firms was represented.

Mr. Satero responded that one of the two technologies we viewed in T2 was LED and this is an LCD technology we are deploying. Those manufacturers are not the same manufacturers that provide the size screen that we are going after.



Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

6. Approval of a Lease with Federal Express Corporation

No. 09-0280

Resolution 1) approving a Lease with Federal Express Corporation for Cargo Warehouse and Office Space at Building 900, North Field Cargo Building, on Lot 50, and 2) directing the Commission Secretary to forward the Lease to the Board of Supervisors for approval.

Mr. Fermin said that Federal Express has been leasing this cargo building since 1999. The original lease expired and staff has negotiated a new lease with a term of three years with one three year option. The rental rate of \$25.77 per square foot per year was confirmed as being the fair market value by the City's Department of Real Estate. Annual rental revenue will be \$3.4 million per year and each year during the option term there will be annual adjustments based on the CPI. This lease will be submitted to the Board of Supervisors for approval.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 and 9 through 11, was moved by Commissioner Crayton and seconded by Commissioner Guggenheim. The vote to approve was unanimous.. Item No. 8 was put over.

7. Accept and Expend Transportation Security Administration (TSA) Funding for K-9 Explosives Detection Team Program of \$147,000

No. 09-0281

Resolution authorizing the acceptance and expenditure of Transportation Security Administration funding of the K-9 Explosives Detection Team Program of \$147,000.

8. Adopt Requirements of Sections 13510(c) and 13522 of the California State Penal Code Relating to the Recruitment and Training Standards of Public Safety Dispatchers

Resolution adopting the requirements of Sections 13510(c) and 13522 of the California State Penal Code relating to recruitment and training standards of public safety dispatchers and apply these standards to the Airport Communications Center Personnel.

Mr. Steve Pitocchi, work site organizer for SEIU Local 1021 representing dispatchers at the Airport. It just came to his attention that there was going to be



a change in the standard and the union had not been notified of these changes. He is unaware of what this will do to working conditions. He asked that the item be deferred to a later date so that the union and the department have an opportunity to meet, and also give the department the opportunity to submit copies of the codes to be followed to the union, the process for training and the list of affected membership.

Mr. Tryg McCoy, Deputy Director, Operations and Security said that he has not heard about objections from employees working at the Communications Center's. A delay would not be a problem.

Commissioner Crayton noted that it's the State Penal Code ... why would we delay? We are talking about providing additional training. Commissioner Mazzola did not agree with holding it over.

Mr. Martin said that in the interest of transparency he would prefer to hold it over. He does not expect a problem at the next meeting. Commissioner Mazzola said that comment is usually required when there is a change in State Law regarding contracts. For something like this you typically talk about it and work it out.

Hearing no other objection this item will be held over.

9. Authorization to Issue a Request for Proposals for the Airport's Annual Passenger Survey

No. 09-0282

Resolution authorizing issuance of a Request for Proposals to establish a pool of pre-qualified customer survey firms to develop and conduct the Airport's Annual Passenger Survey.

10. Airport Travel Policy

No. 09-0283

Resolution authorizing the Airport Director to establish an Airport Travel Policy consistent with City and County of San Francisco and Federal Government Travel guidelines.

Commissioner Crayton did not understand what this is.

Mr. Martin explained that the Controller's Office has asked each department to formalize a travel policy. This item authorizes him to establish such a policy, however it will not be implemented until each Commissioner has weighed in and is comfortable with it.

Commissioner Johns asked if this will return to the Commission.

Mr. Martin responded that the Commission is authorizing him to establish the





policy and he is committing to the Commission that it will not be formalized until he has heard from each member.

#### 11. Grant Funding for Ground Transportation Planning Interns

No. 09-0284

Resolution authorizing staff to seek, accept and expend \$44,000 from the Federal Transit Administration's Transit Professionals Development Program (FTA Section 5304) through Caltrans and the Metropolitan Transportation Commission (MTC) to hire upper division undergraduate or graduate transportation planning students for the fiscal years commencing July 2, 2009 through June 30, 2011.

Commissioner noted that the \$44,000 from the Federal government is to hire interns through Caltrans and MTC.

Mr. [redacted] stated that we will be hiring college undergraduates or graduate students in transportation. These funding sources are available and we have done this before. We have done this before.

\* \* \*

#### I. NEW BUSINESS:

This is the [redacted] of the calendar. Individuals address the Commission [redacted] for a period of up to three [redacted] on the table [redacted] and submit it to the Commission Secretary.

Mr. Samuel Weiler said that he is a frequent user of SFO and was present to talk about Super Shuttle. He had a customer service issue in mid November where a curbside dispatcher quoted him a price of \$27.00 to get to Palo Alto but was charged \$39.00 by Super Shuttle. He said that while that was not enough to drag himself to this meeting, it's what happened in trying to get Super Shuttle to resolve this and the Better Business Bureau (BBB) reported Super Shuttle with a negative report. (See attachment)

The BBB gives Super Shuttle and it largely due to unanswered complaints. He skipped the details of what happened but said that it took him four weeks and 11 phone calls to Super Shuttle, many of them resulting in a full voice mailbox, a fax and eventually a call to Commission staff on one occasion regarding this issue. He called the Commission staff person a second time yesterday and they took care of it. He was present today because that was a very high hurdle for something that is going to cost Super Shuttle \$12. It is clear from [redacted] reviews on Yelp and the report from the BBB that they are doing this to [redacted] customer service is a black hole and a black mark on the Airport and on the [redacted].

He asked the Commission to cancel Super Shuttle's contract. The other operators can pick up the slack. Telling those operators that Super Shuttle lost their contract because

of their poor customer service program may help them improve as well.

Mr. Weiler also asked the Commission to take a look at the taxi service on the Peninsula and asked that options be provided that are cost effective. He frequently needs to get to Palo Alto or Menlo Park, yet the only taxis available are City taxis that charge a surcharge. San Francisco taxis charge a fee to go that far south, so it's very expensive to go to Menlo Park and Palo Alto.

Mr. Martin said that pre-arrangements can be made to pick up at SFO.

Mr. Weiler responded that he is mostly referring to passengers who have experienced flight delays.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:35 AM.

  
Jean Caramatti  
Commission Secretary



policy and he is committing to the Commission that it will not be formalized until he has heard from each member.

#### 11. Grant Funding for Ground Transportation Planning Interns

No. 09-0284

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Commissioner Gordon noted that the \$44,000 from the Federal government is to hire interns through Caltrans and MTC.

Mr. [REDACTED] stated that we will be hiring college undergraduates or graduate students in transportation. These funding sources are available and we have done this before. We have done this before.

\* \* \*

#### I. NEW BUSINESS:

This is the Public Hearing portion of the calendar. Individuals may address the Commission for a period of five minutes. The Commission will then discuss the matter for a period of up to three minutes. A request to speak should be placed on the table prior to the meeting, and submitted to the Commission Secretary.

Mr. Samuel Weiler said that he is a frequent user of SFO and was present to talk about Super Shuttle. He had a customer service issue in mid November where a curbside dispatcher quoted him a price of \$27.00 to get to Palo Alto but was charged \$39.00 by Super Shuttle. He said that while that was not enough to drag himself to this meeting, it is what happened in trying to get Super Shuttle to resolve this and the Better Business Bureau (BBB) report on Super Shuttle that he came upon. (See attachment)

The BBB gives Super Shuttle and F largely due to unanswered complaints. He skipped the details of what happened but said that it took him four weeks and 11 phone calls to Super Shuttle, many of them resulting in a full voice mailbox, a fax and eventually a call to Commission staff on one occasion regarding this issue. He called the Commission staff person a second time yesterday and they took care of it. He was present today because that was a very high hurdle to get over for something that is going to cost Super Shuttle \$12. It is clear from the review on Yelp and the report from the BBB that they are doing this to capture more business. Customer service is a black hole and a black mark on the Airport and on the city.

He asked the Commission to cancel Super Shuttle's contract. The other operators can pick up the slack. Telling those operators that Super Shuttle lost their contract because

of their poor customer service program may help them improve as well.

Mr. Weiler also asked the Commission to take a look at the taxi service on the Peninsula and asked that options be provided that are cost effective. He frequently needs to get to Palo Alto or Menlo Park, yet the only taxis available are City taxis that charge a surcharge. San Francisco taxis charge a fee to go that far south, so it's very expensive to go to Menlo Park and Palo Alto.

Mr. Martin said that pre-arrangements can be made to pick up at SFO.

Mr. Weiler responded that he is mostly referring to passengers who have experienced flight delays.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:35 AM.

  
Jean Caramatti  
Commission Secretary

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## BBB Reliability Report for

## Super Shuttle

BBB Rating F

Ratings Explanation

BBB issues Reliability Reports on all businesses, whether or not they are BBB accredited. If a business is a BBB Accredited Business, it is stated in this report.

## Find out more about Super Shuttle:

- > [BBB Accreditation](#)
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## BBB Accreditation

This business is not a BBB Accredited Business.

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## BBB Rating for Super Shuttle

Based on BBB files, Super Shuttle has a BBB Rating of F on a scale from A+ to F.

Reasons for this rating include:

- 38 complaints filed against business
- Failure to respond to 15 complaints filed against business.
- BBB does not have sufficient background information on this business.

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